



29<sup>th</sup> September, 2018

<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 4000 51 Stock Code: V2 RETAIL	<b>BSE (Bombay Stock Exchange) Limited,</b> 25 <sup>th</sup> Floor, "Phiroze Jeejeebhoy Towers", Dalal Street, Mumbai – 400001 Stock Code: 532867
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Dear Sir/Madam,

**Sub: Submission of Annual Report of V2 Retail Limited for FY 17-18**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 kindly find the enclosed Annual Report for the financial year 2017-18 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013

We request you to take the above on your record.

For V2 Retail Limited

  
(RAM CHANDRA AGARWAL)  
(Chairman and Managing Director)  
DIN: 00491885



# Ab India Banega Fashionable



V2 Retail Limited | Annual Report 2017-18



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## Forward-looking statement

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

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

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



# Ab India Banega Fashionable

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

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

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

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

# Ab banega V2 Retail sustainable



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

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

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

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

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

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

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

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



# 7

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







### Background

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

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### Experience

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

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### Presence

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

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### Merchandise

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

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### Positioning

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

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### Financials

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

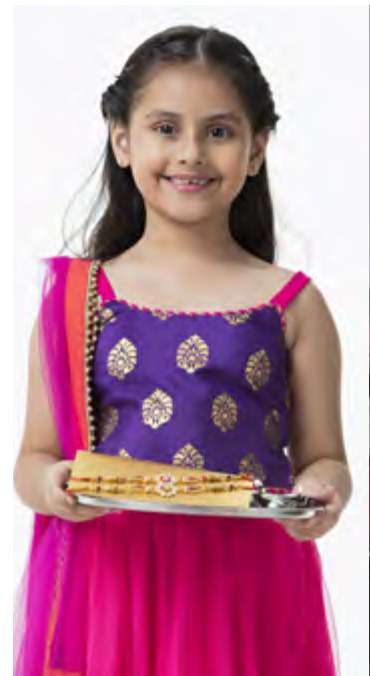
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### One-stop destination

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





## Ab India Banega Fashionable...

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

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

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

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



## ...and how V2Retail is making the transformation happen

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

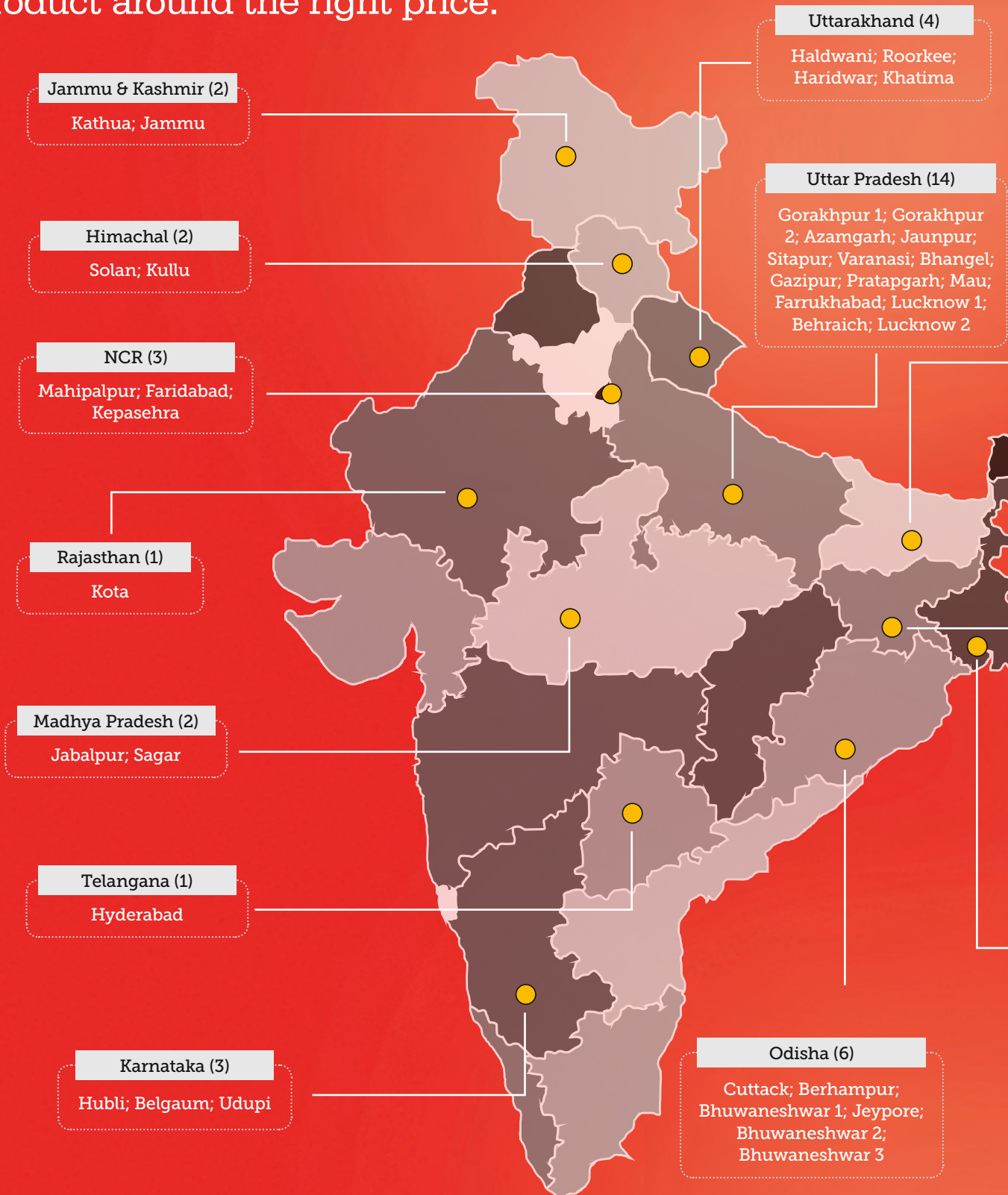
Swagat in Faridabad was told by his wife 'When you wear light blues you look ten years younger.'

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

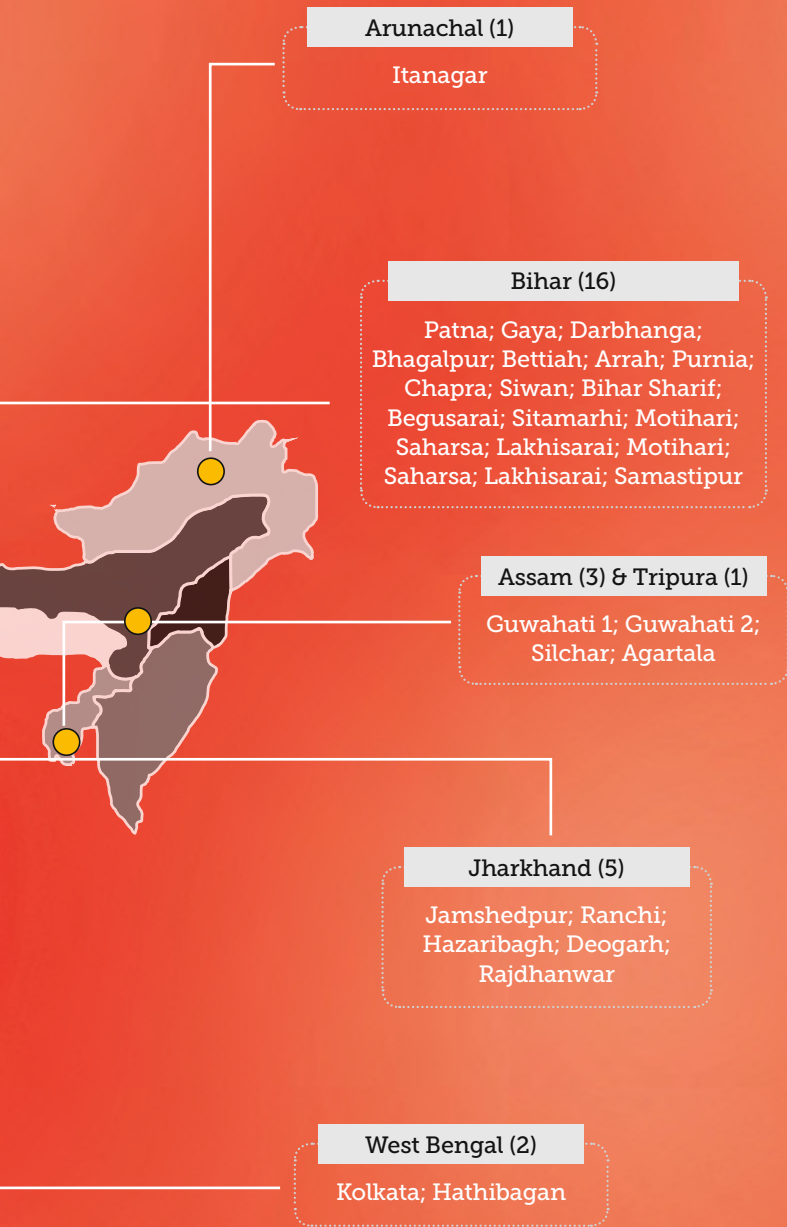
Zoya in Lucknow made heads turn when she wore her new salwar kameez to the kitty party.



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







# Milestones

## 2001

- Incorporated in 2001 as Vishal Retail Ltd.

## 2007

- Went public and raised ₹110 crore.

## 2008

- Turnover of approximately ₹1000 crore.

## 2011

- Brand Vishal sold due to operational losses.
- Changed name from Vishal Retail Limited to V2 Retail Ltd.

## 2012

- First store in Jamshedpur (in reinvented avatar)

## 2014

- Stores increased to 16 covering more than 2 lac square feet in retail space.

## 2016

- Number of stores increased to 22.
- Retail space coverage crossed more than 2.60 lac square feet.

## 2017

- The number of stores increased to 37.
- Crossed aggregate 4.60 lac square feet of retail space.

## 2018

- Attracted investment of ₹760 million from India 2020 Fund II Limited
- Stores increased to 49
- Retail space increased to more than 5.56 lac square feet
- Turnover crossed ₹559 crores

# 'Ab Banega India Fashionable' is about ...

Recognising that we address possibly the largest transformative fashion opportunity in the world – the biggest change across the largest number

Sitting in India but being informed about the latest trends in the international fashion capitals

Adapting global fashion preferences around non-metro Indian needs

Graduating Indian Tier 2 and Tier 3 city aspirations in line with the best of India and the world

Recognising that non-metro India is not one large homogenous market but a cluster of different markets

Being able to recognise that preferences – colour, fabric, style and size – change every 100 kms in India





Discerning that the most relevant design concepts are derived from something simple: the art of listening carefully to customers

Distinguishing our business from one that is selling apparel to one that is making India fashionable – a different proposition

Being aware of the fact that when it comes to presentability, the permutations – fabric, colour, style and feel – and business opportunity are limitless

Recognising that the purchase of apparel is transforming from necessity (measured purchase) to impulse (over-spend if necessary)

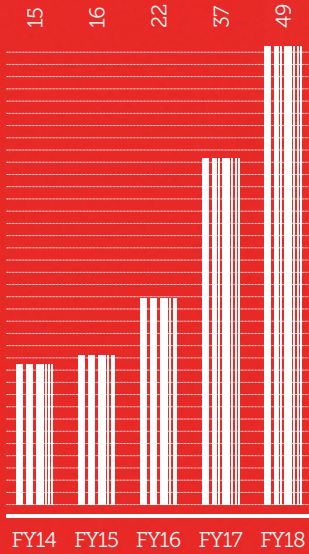
Being able to price at a point that does not merely address an existing market – but helps in creating one

Being always aware of the reality that when people dress better, they feel better and make others feel good as well

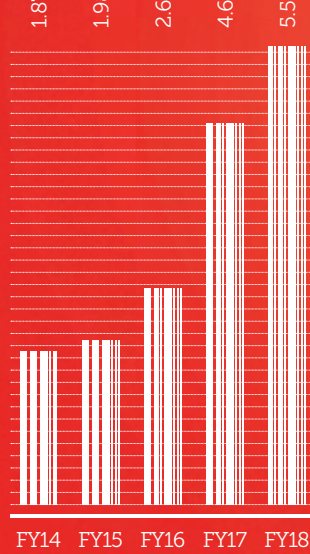


# Making India fashionable translated into stronger fundamentals...

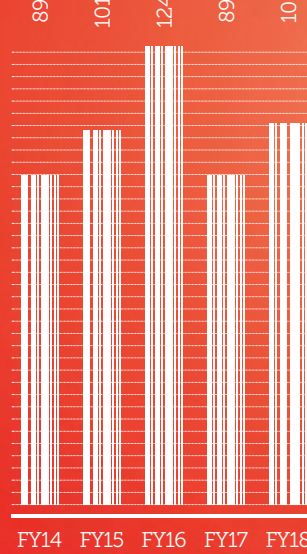
Stores (number)



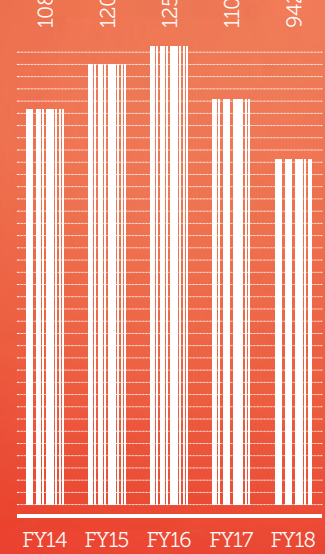
Retail space (lakh sq.ft.)



Inventory (days of sales)

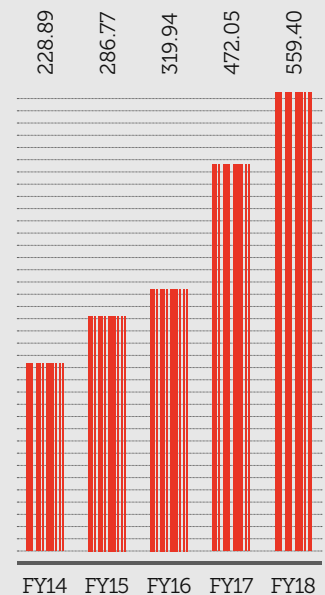


Sales per sq. ft. (₹ per month)

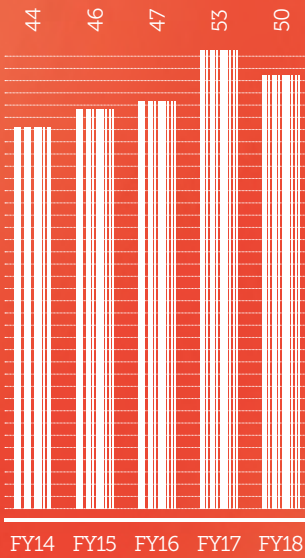


...and stronger business fundamentals translated into superior financials

Revenues (₹ crore)



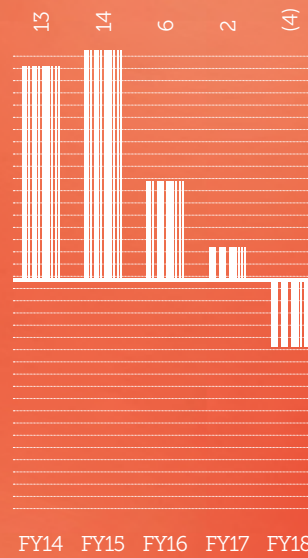
Rent per sq. ft.  
(₹ per month)



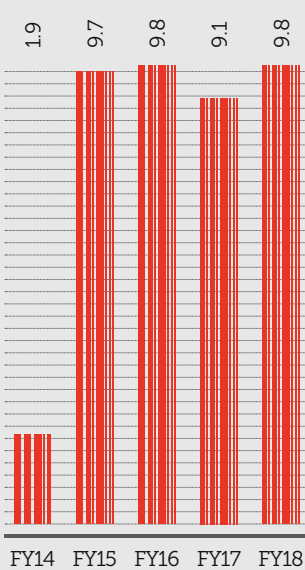
Cash profit per sq. ft.  
(₹ per month)



Same-store revenue  
growth (%)



EBITDA margin  
(%)



PBT margin\*  
(%)



\*Before exceptional items

Net profit  
(₹ crore)



\*Including exceptional item  
(Income from sale of property)

Basic EPS (₹)  
(after extraordinary items)



\*Including exceptional item  
(Income from sale of property)

## Chairman's message



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“We are looking at an aggressive multi-year growth story from this point onwards, enhancing value for our stakeholders.”

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**T**here are two ways of looking at the prospects of our business.

The one perspective is that the Company can well match the growth India's retail sector, which is expected to consistently outperform the growth of the country's economy.

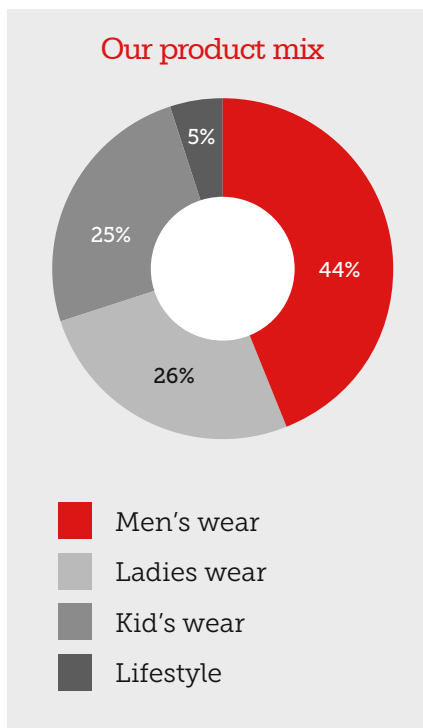
The other perspective is that pockets of the Indian retail sector could grow considerably faster than the sectoral and national economic average.

At V2 Retail, we believe that the second is a more plausible possibility for some good reasons.

**One**, we believe that even as India's has been a consumption-driven economy (like China's has been infrastructure-driven), much of the consumption has transpired in the country's metro and large cities across the last number of decades and only barely touched its smaller urban locations. The sustained increase in disposable incomes and aspirations are increasingly manifested in these smaller urban clusters, inspiring the optimism that the country's retail sector in these locations is at the cusp of a major breakout.

**Two**, within the growth of India's retail sector lies its organized retail segment, which is only fraction of the overall retail play. For instance, more than a decade-and-a-half ago, India's organized retail segment accounted for 4% of the country's overall retail sector. This share has increased to a mere 10% (compared with 85% in USA); the superior rate of growth of the country's organized





**We believe that success will be derived from a stable beginning where we roll out a reasonable number of retail stores**

sector indicates a critical point that is often overlooked: the percentage growth of India's organized retail sector will not only be faster than the growth of the unorganized sector in percentage terms, but growth will be considerably larger every successive year in response to a growth in purchasing power.

**Three**, the country's retail consumption needle is clearly moving from the visible locations to the less visible; from few large urban clusters to a larger number of relatively mid-sized and small urban pockets. This 'volumisation' of the country's retail sector is possibly one of the most exciting retail stories anywhere in the world: it provides the largest under-penetrated consumption market in the world. A growth in incomes is likely to grow this market attractively from this point onwards. The reality then is that India's 'second and third markets' will not only be playing catch-up with the lost opportunity of the years, but will also need to play 'run forward' – the basis of our optimism.

### The V2 Retail strategy

At V2 Retail, we are responding to this opportunity with strategic clarity.

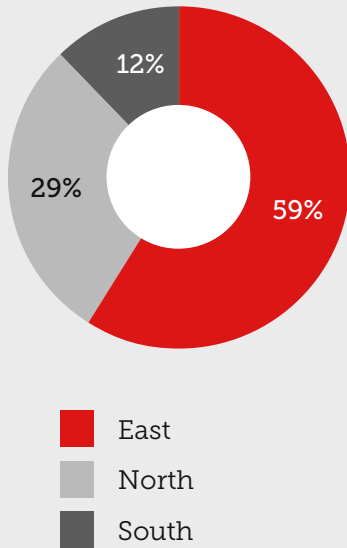
**One**, we will continue to focus on the one product line that we know best – apparel – as it stands for a number of business advantages: addresses a fundamental need, the need evolving from the functional to the fashionable, the fashionable response marked by accelerated product replacement and replenishment, this replenishment

essentially coming from a fundamental desire to own larger wardrobes, preferences marked by increased ticket size of purchase and these preferences coming from a wide footprint of the country's non-metro geographies.

**Two**, we address the emerging apparel needs of a long-overlooked India, an India that lives in the smaller cities and districts where most retailers have never felt that a growing clientele existed for fashionable apparel products. In the last decade, this market – classified as a family earning capability of between ₹10,000 to ₹40,000 a month – has discovered a new identity: put the youthful person of this market alongside an urban Indian and chances are that you will not be able to visually discern who comes from where. This is the result of a substantial transformation in the way this 'second and third India' has selected to present itself – more fashion-led in their clothing preferences than the conventional functional 'kapda-latta' approach of merely finding something to cover oneself with dignity.

**Three**, we believe that it is not merely enough to market a larger number of apparel products that this growing market did not have access to; it is critical to provide products around a compelling price-value proposition – the argument that we are not only providing the consumer something better, more standardized, within a superior ambience but also around a price-value proposition that converts the hesitant into consumers. At the heart of our 'creating a market'

### Our regional revenue mix



approach lies a distinctive financial proposition: most apparel retail brands work around a higher mark-up; V2 Retail prices around a reasonable mark-up that enhances affordability and helps widen the market.

**Four**, at V2 Retail we believe that it is not only enough to address this unlimited market opportunity with a 'business as usual' approach. We believe that success will be derived from a stable beginning where we roll out a reasonable number of retail stores, strengthen our operating efficiency and create a robust sustainable engine that can then be scaled: every successive year translating into a substantial increase in store rollouts (we launched 15 stores in 2016-17 followed by 12 in 2017-18 and a target to double the total number of stores in the medium-term).

We believe that the combination of the right merchandise, market selection and product pricing should translate into aggressive year-on-year growth across the foreseeable future.

### The growing role of governance

At V2 Retail, we recognise that even as the country's retail sector provides an attractive opportunity, the rise in the water table may not raise the level of all ships. Companies that grow faster will need to manage their businesses in a consistently predictable manner that minimizes risks on the one hand and strengthens business capability on the other.

At V2 Retail, we have consciously prioritised the following in our business strategy.

## Our immediate strategic agenda

Moderate vendors from 600 to 400 and eventually 250, providing them with higher volumes in exchange for lower procurement costs.

1

Increase technology investments to generate superior revenues and profits per sq. ft, article and store, strengthen product mix, enhance customer experience, relationship and vendor management.

2

Decentralise the Company across zones; empower managers to address ground realities faster; increase responsiveness to evolving consumer and market realities.

3

Strengthen the product development and R&D, related to the engagement of the best vendors, fabric, production and marketing efficiencies.

4

We will focus only on profitable growth, where the percentage increase in profit after tax will be higher than the percentage increase in revenues.

We will focus on commissioning stores in urban clusters marked by the absence of organized retail (or low penetration), providing us with a first-mover's advantage in terms of brand, offtake and customer loyalty.

We will not just focus on launching new stores; we will exit locations where we believe that the returns are not commensurate with our corporate average or the low potential within those locations.

We will focus on achieving our targeted 10% EBITDA margin with the objective to raise our existing margin by 100 bps, resisting the temptation to maximize margins for a short-term gain over the prospect of enhancing product affordability and long-term sustainability.

We will focus on achieving our cash breakeven within the first month of store launch (indicating cost-effectiveness and locational fundamentals) providing us with an early signal of the potential of that geography.

We will progressively go pan-India with the objective of building a

pan-country retail brand focused on the 'second and third India'. We believe that a regional hub-and-spoke model will translate into logistical and brand economies, strengthening our offtake.

We would like to stay zero-debt, selecting to grow out of accruals with the cash pool sitting on our books, making it possible to capture the complete equity value arising out of our business strategy.

We will continue to invest in process automation with a objective of enhancing systemic knowledge and control, resulting in informed and timely decision-making.

### **Attractive positioning**

At V2 Retail, we believe we are attractively placed to accelerate our business momentum from this point onwards.

Even as the Company reported a 19% growth in revenues to ₹559.40 crore and a 62.24% increase in profit before tax and exceptional items to ₹46 crore in 2017-18, we believe that this represents the bottom-end of a long J-curve.

Virtually all our stores are generating profits. Compounded same-store growth across the last five years has been higher than the country's

GDP growth. There is no debt on our books. We possess more than ₹90 crore in investible funds. We moderated store launch costs per square foot. Our EBITDA margin strengthened 67 bps over the previous year and is among the highest in the retail niche where the Company is present. Growth in store rollout from this point will make it possible to amortise the Company's fixed costs (head office and technology investments) more effectively.

In view of these realities, we believe we are looking at an aggressive multi-year growth story from this point onwards, enhancing value for our stakeholders.

**Ram Chandra Agarwal**  
*Chairman, V2 Retail Limited*

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**Our EBITDA margin strengthened 67 bps over the previous year and is among the highest in the retail niche where the Company is present.**

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# The story at V2 Retail has been one of foresight and proactive transformation

## The Company was high on debt some years ago

Promoters sold its loss-making Vishal Retail business to TPG Group

Promoters entered fashion retail business (V2 Retail) focused on apparel retail

Asset-light model; V2 focused on operating efficiencies

The Company scaled revenues, profits and deleveraged

The Company became debt-free in 2017; investible surplus was ~ ₹90 crore

## The Company was a small company with 6 stores in 2012

The Company selected to focus on Tier II and Tier III cities

The Company prudently expanded out of cash flows

The business was scaled from 6 stores (FY2011-12) to 49 (FY2017-18, 0.56mn sq ft)

Projected retail space doubling to 1.1mn sq ft in medium term

Projected investment for store additions (₹1.2 bn) to be funded from accruals and cash

## The Company was multi-product until 2011

The scattered focus affected brand recall and earnings

The Company changed its focus to high-margin apparel (no FMCG)

95% of revenues derived from apparel today

The Company's store formats smaller today (average 10,000 – 12,000 sq. ft. size)

Lower overheads; revenues increased from ₹228.89 crore five years ago to ₹559.40 crore

## The Company earlier suffered from high inventories

High inventory resulted in high working capital outlay and high debt

The Company's SAP investment enhanced store-wise inventory awareness

Accessed real-time inventory (stores / warehouses); enhanced informed decision making

Implementing SAP HANA (engaging Infosys) to strengthen operational efficiency

Average inventory has decreased to 104 days

## The Company was loss-making a decade ago

The Company's management scaled stores where organized sector was not present

The Company's strategically located stores broke-even in the first month of operations

The Company strengthened working capital management

The Company's design team studied fashion trends; serviced customers better

The Company has emerged as the fastest growing fashion retailer in India (one of the best profitability ratios)



# Our robust business model

## The context of the sector

### Large scattered market

India's rural market comprises more than 63 crore consumers across 570,000 villages - traditionally under-consumed.

### Agriculture

60% of India's rural income is linked to agriculture; rural prosperity is dependent on agricultural prosperity. With the government announcing MSPs to be at least 1.5x of the cost of farming, farmer earnings are expected to strengthen.

### Young population

India is the second most populous country with a median age of around 25; approximately 41% of the population is below 20.

### Lifestyle standard

Rural India has traditionally been marked by a low standard of living; incomes and purchasing power are improving coupled with enhanced aspirations.

### Infrastructure

The unprecedented development of India's rural infrastructure is expected to strengthen incomes of labourers and their retail consumption.

## Addressing sectoral opportunities

### Early-mover advantage

V2 is positioned as a one-stop family apparel hypermarket in small high-potential markets of Northern and Eastern states, where modern retail penetration is low.

### Focus

The Company focuses on the democratization of branded apparel, extending its products to consumers who have earlier never had the benefit of access to branded products at prices lower than that of branded products - a unique positioning.

### Location

The Company selects to be present in regions relatively under-penetrated by organized retail, building hubs with supporting nodes within a radius of 200 kms, generating economies of brand, recall and logistics. The Company increased its presence from 13 states in 2016-17 to 15 states in 2017-18, widening its footprint.

### Centralized procurement

The Company engaged in centralized procurement and quality management across a wide network (vendors) - the largest quantity, the best quality and lowest delivered cost.



**Efficient supply chain management**

The Company invested in a comprehensive SCM (planning, sourcing, standardization, logistics, quality control, pilferage control, replacement and replenishment) capable of addressing a larger throughput (10 lakh sq. ft. retail space).

**One-stop family destination**

The Company's product range addressed the fashion aspirations of a 'neo middle class' and 'middle-class' population, marked by incomes between ₹10,000 and 40,000 a month.

**Low-cost procurement network**

The Company possesses a network of registered vendors - hosiery products from Tirupur, cotton apparel from Ahmedabad, denims from Delhi, kids' wear from Kolkata, knitted garments from Ludhiana and latest fashion garments from Mumbai - strengthening its ability to source quality products at the lowest price. The Company does not own or manage any manufacturing facility but engages in job work manufacturing engagements. The Company has been rationalizing vendors and leveraging value from larger orders to derive lower procurement costs

**Robust Balance Sheet**

The Company's Balance Sheet has progressively strengthened, repaying debts through proceeds mobilized from preferential allotments to promoters, strategic investors as well as the sale of a property in Kolkata and accruals.

**Value-for-money fashion**

The Company's target customers are Tier-2 and 3 city households. The Company's average product selling price of ₹278 combined with the average billing per customer of ₹736 are indicative of the Company's ability to address the vast bulge of the Indian middle-class consumption. This under-served market holds out attractive potential since per capita incomes in these cities are rising faster than the national average.

**Technology**

The Company continues to make focused investments in technology with the objective to enhance awareness of products and resources leading to prudent cost minimization and business acceleration - leading to enhanced competitiveness.





## Strengths

### Focus

The Company manages an aggregate 5.56 lacs sq ft retail space (to be doubled over the next few years), reconciling volume, value and variety for the benefit of retail consumers.

### Pioneering

The management possesses a rich retail experience of more than 25 years.

### Prudent cost control

The presence of the Company in Tier 2 and 3 cities has helped moderate rent and employee costs on the hand despite competition. The result: industry-leading EBITDA margins and maximized store productivity (per square feet revenues in excess of ₹900 per month for three years).

### Sustainable inventory cycle

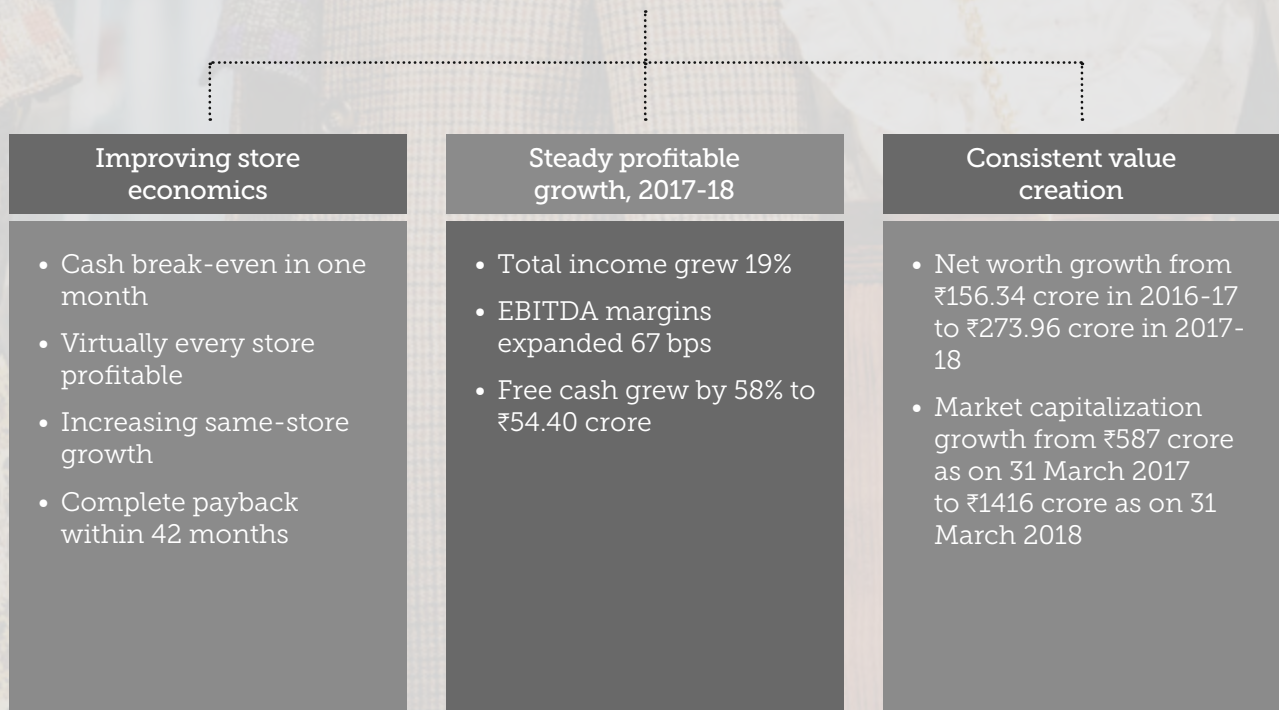
The Company moderated inventory size through superior IT, merchandise planning and procurement, improvised monitoring and focus on fast-moving products. This helped moderate holding costs on the one hand and generated higher inventory turns on the other.

### Efficient supply chain and inventory management

The Company derives supply chain efficiency through a 180,000 sq ft warehouse, helping manage store and warehouse inventories (with reasonable unused capacity). The distribution centre is capable of addressing the needs of 10 lakh sq. ft. of retail space.



## The outcomes of our robust business model



## Our transformation

### Vishal Retail\*

- Average store size: 19,373 sq ft
- Revenue / sq ft: ₹5,412
- Gross Margin / sq ft: ₹1,429
- Inventory: 157 days
- Working capital cycle: 174 days



### V2 Retail

- Average store size: 11,348 sq ft
- Revenue / sq ft: ₹11,304
- Gross Margin / sq ft: ₹3,651
- Inventory: 103 days
- Working capital cycle: 39 days

\* Emkay Research

# How we are enhancing value for shareholders

62

Market capitalization  
2011-12 (₹ crore)

1418

Market capitalization,  
2017-18 (₹ crore)

56%

CAGR growth, 6 years

8%

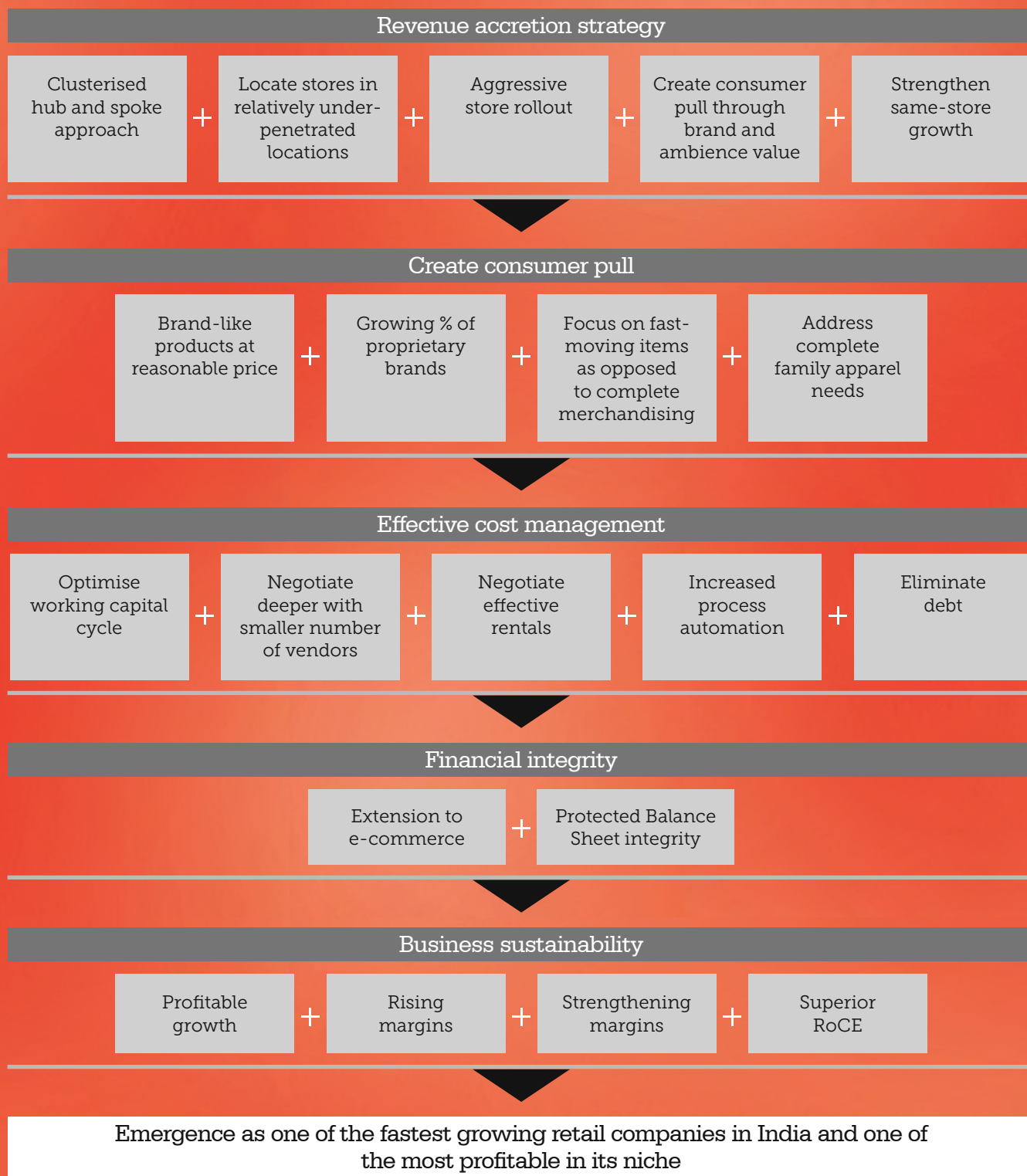
NSE Nifty 50 CAGR,  
6 years

## Vision, Mission and Goal

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

# Our value enhancement approach

A large unexplored India (Tier 2 and 3 Cities) for organised retail





# An analysis of how we are enhancing shareholder value

## Increasing topline

At V2 Retail, the focus is not only on increasing retail area coverage but also growing revenues from within that retail outlet. This translates what could have been a one-time revenue spike into subsequent sustainable revenue growth. The Company intends to strengthen offtake through increased marketing

spends, introduction of loyalty cards for regular customers, superior merchandise and enhanced store accessibility to customers. The store rollout during the medium term is likely to double. This is likely to sustain the percentage revenue momentum of the Company even at a higher revenue base.

### Annual revenue increment (₹ crore)

FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18
123.22	57.88	33.17	152.11	87.35

## Wider footprint

The Company expanded horizontally and vertically over the past decade. V2 Retail believes that consumer aspirations and preferences change considerably across geographies. Thus, the Company decided to expand in clusters, whereby new stores are opened within a 150 km radius of existing ones. This mitigates

the consumer preference risk and leverages the V2 brand. This approach also facilitates inter-store stock movements and enhances flexibility of benefits from easy stock rotation, transport cost management and reporting/supervision convenience.

### 90% of V2 stores are in Tier 2 & 3 cities

No. of stores	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Tier 1	2	2	2	2	2	3	4
Tier 2	2	4	6	7	10	10	13
Tier 3	2	4	7	7	10	24	32
Total	6	10	15	16	22	37	49

## Expanding out of accruals

At V2 Retail, we believe that accrual-funded expansions represent the most profitable growth strategy. Over the years, the Company has selected to expand through net worth rather than debt. This has helped moderate cost and risk, strengthening

business sustainability. The Company intends to invest ₹1.2 bn in the medium term on store expansion, the majority drawn from the surplus cash of ₹90 crore on the Company's books in 2017-18.

### Net worth invested in the business (₹ crore)

FY2013-14*	FY2014-15*	FY2015-16*	FY2016-17	FY2017-18
(7.99)	11.63	33.10	156.34	273.96

\*Adjusted net worth

## Increase in private labels

Private labels contribute 12% to 13% to V2 Retail's revenues. The Company has targeted doubling this by 2020 as private label generate higher margins at the

gross level. The key is to maintain a judicious mix of third-party brands and private labels to ensure higher footfalls and simultaneously increased margins.

### Revenues from private labels as a % of sales

FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18
-	-	2	5	12.5

## Moderated costs

Cost management lies at the heart of V2 Retail's business. This cost management has been strengthened through a decision to outsource products rather than directly manufacture, prudent apparel sourcing from large and proximate vendors,

lower apparel procurement cost in exchange for a larger procured volume and low store rollout costs (one-time infrastructure cost and ongoing sustenance). The absence of debt on the Balance Sheet has helped moderate costs as well.

### Result of cost moderation

	2016-17	2017-18
Average selling price (₹)	256	278
Average transaction size (₹)	760	807

## Increased automation

V2 is strengthening its business model through technology. The Company is working on IT projects with the objective to enhance operational efficiency. The Company implemented MIS within its SAP module; it integrated all stores under SAP. The Company tracks product movement even at the store shelf level, resulting in efficient data management,

awareness of slow-moving inventories and timely product replenishment. ERP implementation moderated inventory. An app for vendors automated the procurement process. The Company intends to address the e-commerce opportunity to enhance consumer convenience and widen market access.

### Average inventory

	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18
Average inventory per store (₹ crore)	3.7	5.0	4.9	3.1	3.3
Average inventory per sq.ft (₹)	2966	3997	4151	2481	2881

## Protecting Balance Sheet integrity

The Company's Balance Sheet has progressively strengthened following the repayment of debt through proceeds from preferential allotments to

promoters and strategic investors. V2 Retail repaid all debt in FY2017-18 to become debt-free, strengthening interest cover and liquidity.

### Interest outflow (₹ crore)

FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18
8.1	9.7	13.2	8.6	0.6

## Enhancing value for stakeholders



**Investors**

- Attractive market capitalisation growth
- Focus on free cash generation

**Employees**

- Employee and vendor engagement
- Promote personal and professional development
- Fair and equitable wages / contracts

**Customers**

- Enhancing owner's pride
- Quality products
- First-rate service

**Government**

- Ethical conduct
- Enhancing employment
- Contribution to exchequer

**Communities**

- Driving employment
- Skilling people in complementary areas





## What our employees have to say about our company

"There is a greater pride in being part of V2 Retail today – a company on the move!"

"V2 Retail is a technology company that is also engaged in the retail apparel business."

"At V2 Retail, the underlying culture is of 'How can we know more about our customer?'"

"At V2 Retail, we run each store like a profit centre – which explains why each manager is virtually the CEO of his or her location, managing costs, sales and profitability."

"At V2 Retail, our managers do not just ask 'Kitna bika?' They are more inclined to ask 'Kitna bana?' (How much did we make?)"

"At V2 Retail, when one of our employees does well, we appreciate with speed and we recognize with lung power."

"At V2 Retail, we have invested in cutting-edge industry best practices: stock take, discount procedure and assortment planning."

"At V2 Retail, we engage in real-time inventory management through the proprietary V2 Ret App."

"At V2 Retail, the big idea is to commission stores in towns where no other organized retailer is present – which is reflected in our uncontested presence across south India."



# How our Bihar Fashion Week proved to be an irresistible crowd puller

## Why should a Fashion Week be limited to the metro cities and the jet set?

This question triggered a unique idea at V2 Retail: the Company's own Fashion Week across the Tier 2 & 3 cities of Bihar.

Where nothing of this sort had ever been conceptualized.

Where the objective was to provoke the otherwise dormant fashion and lifestyle sentiments of the people.

Where we would encourage the young and not so-young to try out vibrant colours and styles.

The result was eye-popping – inside the store and outside.

The queues outside our Patna and Gaya stores stretched across 1 km. Local police authorities deployed seniors to manage the growing crowd outside our Purnia store. When the stores were opened for shopping, the picture was standard across most stores: customers making a dash for clothes – 'Yeh teen piece dena,' 'Achcha yeh bhi!' and 'Aur yeh bhi!'

## You might want to know...

- Our Bhagalpur store was awarded the Best Fire Service & Safety Management certificate from the Bihar government
- V2 Retail rolled out an attractive offer - Triple Dhamaka - where consumers got the benefit of Scratch & Win, Lucky Draw and up to 70% off during the offer in 2017-18.
- V2 Retail's Varanasi store was recognized for Best Facility Management in 2017-18





## V2 Retail is a differentiated organised retail company

### For employees

- Best place where an individual's learning rises faster than experience.
- Regular reviews enable us to identify the potential leaders among employees who we provide ESOPs and other incentives under retention programs.
- We believe that a healthy mind creates a healthy body; the Company provides the best environment for employees to keep fit; we engage employees in physical activities like exercise etc.
- Work-life balance – our office hours start from 7:30 AM till 4:30 PM, which provides a balance to employees.
- We believe in 'one team, one dream'
- We provide a positive environment for cross-functional working that enables employees to grow faster in their careers.

### For customers

- Consumer friendly offers that retain customers longer.
- Wide assortment of value-based merchandise
- Replenish store a number of times a day through centralized pick list from real-time stock data
- 24x7 customer helpline system that enables us to provide customer support
- Best facility management competence in the industry
- Lean inventory management and centralized order fulfillment

### For vendors

- Vendor grievance platform
- Best payment norms in the industry
- SRM and S4 HANA implementation
- Process training for vendors



# In India's retail sector, the story is only just beginning...

## Population growth

India accounts for the second most populous country

India's population has grown 4x over the last century; China has grown only 1.5x

India's population is more than the cumulative population of 80% countries

India adds close to 15 million people a year (largest increment)

India is expected to become the most populous country by 2024

## Rising incomes

India's per capita income grew 8.6% to ₹112,835 in 2017-18

India's per capita income could more than double by 2027 (source: Morgan Stanley)

India's 3-year CAGR of per capita income growth is 4.5%

India is still at number 126 by per capita GDP of countries, 2017 – indicating room for multi-year growth

India's middle-class households are estimated to quadruple to 14.8 crore by 2030 (3.2 crore, 2010)



### Growing retail market

India's retail market is projected to grow from US\$ 672 billion in 2017 to US\$ 1.1 trillion in 2020

India's modern retail format is expected to grow from US\$ 70.45 billion in 2016 to US\$ 111.25 billion in 2019

India's organised retail penetration is at a low 9% (US 85%) and likely to increase

Retail investments (Tier-II and III cities) growing rapidly - US\$ 6,192 million between 2006 and 2017 compared to US\$ 1,295 million in Tier-I and metro cities.

India's online buyers expected to increase from 90 million to 350 million by 2025.

### Population growth

The number of nuclear families in rural India increased 29%, creating a wider demand base

~7 million households expected to be annually added in rural and semi-urban India

The Government expects to double farm incomes by 2022

Total rural income is expected to rise from US\$413 bn in 2017 to US\$646 bn by 2022

Aggregate rural consumption expenditure is expected to increase from US\$ 260 bn in 2017 to US\$ 391 bn by 2022



# How we manage risks at V2 Retail

At V2 Retail, we proactively manage risks by identifying them and using the resources available to mitigate them in a way that their effect on the Company is minimal.

## Merchandising risk



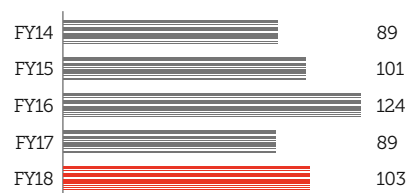
Investment in technology (₹ crore)

**Implication:** An imprecise understanding of market trends can result in sub-optimal merchandise and lower sales.

**Mitigation:** The Company's cluster-based strategy has resulted in a superior understanding of localised customer preferences, enhancing the visibility of marketing schemes, stronger offtake and a more effective promotional spending. The Company's SAP investment resulted in a deeper understanding of nascent and visible trends, resulting in corresponding merchandising decisions.

**Result:** The Company has consistently invested in technology upgradation

## Inventory risk



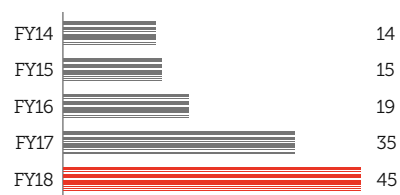
Inventory (days)

**Implication:** Unsold inventories can result in a working capital crunch that can affect business profitability.

**Mitigation:** The combination of a centralised warehouse, efficient supply chain and IT investments helped moderate product inventory. The result has been a progressively declining product turnaround time and strengthening store-fill rates, reducing inventory holding and shrinkage.

**Result:** The Company has improved its inventory turnover over the years.

## Locational risk



Cities of V2's presence  
(Number of cities)

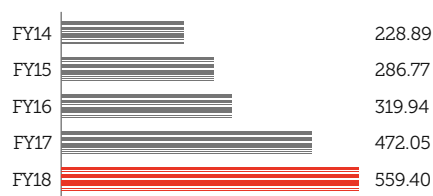
**Implication:** The Company could enter a city unable to generate adequate demand, resulting in sub-optimal business investments.

**Mitigation:** The Company focused on the addition of stores in Tier II and Tier III locations within the radius of 100-150 kms from existing stores, with a growing population, income and aspirations coupled with low organized retail penetration resulting in a low break-even point.

**Result:** The Company consistently increased its presence across different cities in India.



## Economic risk



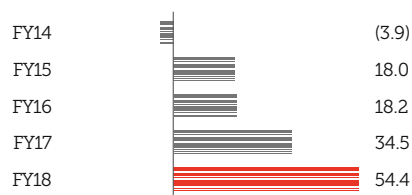
Revenues (₹ crore)

**Implication:** An economic slowdown could impact demand and growth.

**Mitigation:** India's retail market is expected to increase by 60% to reach US\$ 1.1 trillion by 2020 on the back of rising incomes and increased online connectivity. With the Indian economy growing at more than 7% every year, consumer spending is expected to rise and semi-urban demand expected to grow sustainably.

**Result:** The improving national reality has enhanced the revenue generation capacity of the Company.

## Liquidity risk



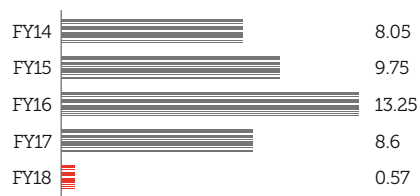
Cash profit (₹ crore)

**Implication:** A liquidity crunch could adversely affect day-to-day operations.

**Mitigation:** The Company strengthened cash flows by reducing the working capital cycle to 39 days during FY2017-18 from 89 days during FY2015-16. The Company had an investible surplus of ₹90 crore on its books as on March 31, 2018, empowering it to capitalize on opportunities with speed and effectiveness.

**Result:** The Company's cash profit has been increasing consistently.

## Financing risk



Financing cost (₹ crore)

**Implication:** The inability to mobilise long-term funding at competitive costs can affect growth prospects.

**Mitigation:** The Company had a net worth of ₹273.96 crore and a near-zero long-term debt as on 31st March 2018, indicating Balance Sheet robustness. The Company scaled revenues, repaid debt to become debt-free in 2017 and built an investible war chest of ~ ₹90 crore.

**Result:** The Company's cost of financing has decreased over the years.

## Competition risk



Stores in Tier 2 & 3 cities

**Implication:** Increasing competition could impact market share.

**Mitigation:** The promoters of the Company possess more than two decades of retail experience. The Company is present majorly in Tier II and Tier III cities where organized retail is at a nascent stage. The focus of the Company is to provide the best quality apparel at a reasonable price, an edge over its competitors.

**Result:** The Company increased its presence in Tier II and Tier III cities in India, location marked by relatively low organised retail competition.

# Management discussion and analysis



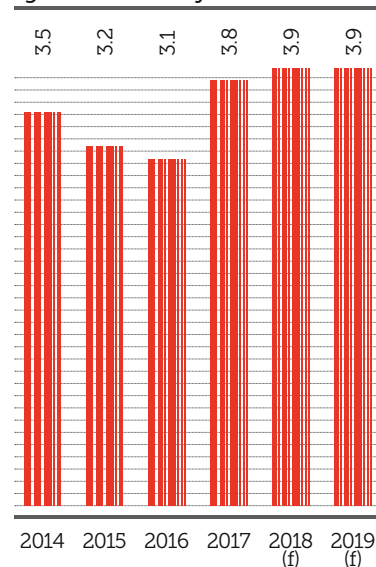
## Global economic overview

In 2017, a decade after the global economy spiraled into a meltdown, a revival in the global economy became visible. Consider the realities, every major economy expanded and a growth wave created jobs. This reality was marked by ongoing growth in the eurozone, modest growth in Japan, a late revival in China and improving conditions in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, 60 bps higher than the previous year. Crude oil prices increased in 2017, with a price of US\$54.13 per barrel at the beginning of the year, declining to a low of US\$46.78 per barrel in June 2017 and closing the year at US\$61.02 per barrel, the highest since 2013.

### Outlook

The outlook for advanced economies improved, notably for the eurozone, but in many countries inflation remained weak, indicating that prospects of GDP growth were being held back by weak productivity levels and rising dependency ratios. Prospects of emerging market and developing economies in sub-Saharan Africa, the Middle East, and Latin America remained lacklustre with several countries experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustments to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting an improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF)

Global economic growth for six years



[Source: World Economic Outlook, January 2018] f: forecasted

## Indian economic overview

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated to be 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies. This was achieved on the back of lower inflation, an improved current account balance and a reduction in fiscal deficit-to-GDP ratio.

The year under review was marked by various structural reforms being undertaken by the Central Government. In addition to GST introduction, the year witnessed

significant steps towards resolution of problems associated with NPA levels, FDI liberalisation, bank recapitalisation and privatisation of coal mines. After remaining in the negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18. Foreign exchange reserves rose to US\$ 414 billion as on January 2018. (Source: CSO, Economic Survey 2017-18)

### Outlook

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and a growth in the services sector are expected to continue supporting

economic activity. Private investments are expected to revive as the corporate sector adjusts to the GST. Over the medium-term, the introduction of the GST is expected to catalyse economic activity and fiscal sustainability by reducing the cost of tax compliance drawing informal activity into the formal sector and expanding the tax base. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector balance sheets, enhance credit to the private sector and spur investment inflows. (Source: IMF, World Bank)

### Estimation for the FY2017-18 versus FY 2016-17

No. of stores	2017-18*	2016-17
GDP growth	6.7%	7.1%
GVA growth	6.4%	9.0%
Farm growth	3%	9.0%
Manufacturing growth	5.1%	9.3%
Power and gas growth	7.3%	6.5%
Mining growth	3%	1.9%
Construction growth	4.3%	3.5%
Trade, hotel, transport, telecom growth	8.3%	9.8%
Financials, realty growth	7.2%	9.8%
Public, admin, defence growth	10.1%	16.6%
Per capita income growth	8.6%	9.7%

\*Estimated

(Source: PIB)

## Indian textile and apparel sector overview

India enjoys a distinct global advantage through strong multi-fibre and abundant raw materials (cotton, wool, silk, jute and man-made fibres). The Indian textiles industry, currently estimated at ~US\$ 120 billion, is expected to reach ~US\$ 230 billion by 2020. The Indian textile industry contributes ~2% to India's GDP, 10% to its manufacturing production and

14% to the overall IIP. The Indian textiles industry is labour-intensive, employing ~45 million people directly and ~20 million people indirectly. In a major relief to the domestic textile industry, the Central Government has doubled the import duty on >50 textile products from fibres to apparels. The import duty on apparels such as coat and pants, jackets, and ladies garments, which

earlier was 10%, will now be 20%. Similar rates will be applicable to clothes made from jute or paper yarn, different varieties of carpets, laminated fibre and sheets made from fibres, and so on. On some items, the rates will be 20% or ₹38 per square metre whichever is higher. (Source: IBEF)



## Indian retail sector overview

Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. India's retail market stood at US\$ 672 billion in 2017. The modern retail market stood at US\$ 70.45 billion in 2016, accounting for a >10% share of the retail market. India is the world's fifth-largest destination in the retail space. The organised retail market was valued at US\$60 billion in April 2018 (9%) whereas the unorganised retail market constituted the rest 91%. India's online retail sector grew at a rate of 23% to reach US\$ 17.8 billion in 2017. The organised sector is growing at a CAGR of ~25% per annum with most retailers operating in spaces <500 square feet.

India's retail revolution is gaining momentum in the country's smaller cities. After years of opening stores in large cities and paying hefty rents, brands and mall developers are increasingly investing more in smaller cities, as lower rentals, experiments with new leasing formats and aspirational shoppers drive growth in these markets. The retail sector in Tier-II and III cities has witnessed investments worth US\$ 6,192 million between 2006 and 2017 compared to US\$ 1,295 million when it came to Tier-I and metro cities. (Source: IBEF, Care, PwC, Business Today)

### Outlook

India's retail sector is expected

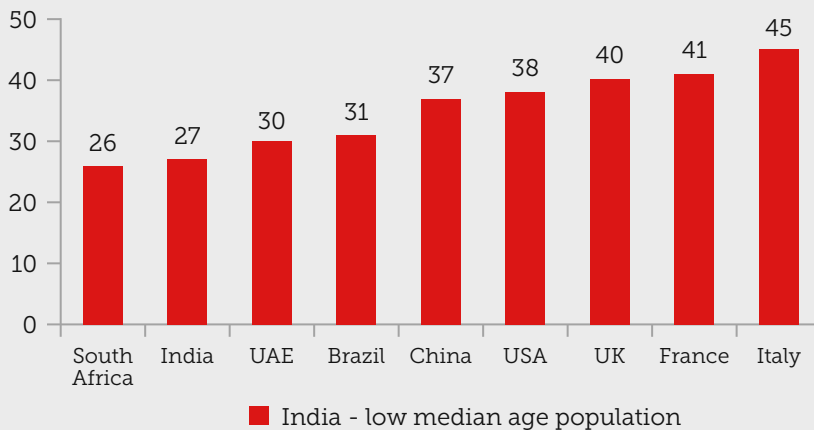
to grow by 60% to reach US\$ 1.3 trillion by 2020, on the back of rising incomes and increased digital connectivity. The Indian retail sector is one of the fastest-growing in the world with a CAGR of 12%. The modern retail market in India is expected to grow from US\$ 70.45 billion in 2016 to US\$ 111.25 billion in 2019. Revenue generated from online retail is projected to grow to US\$ 60 billion by 2020. The share of organised segment is expected to increase to 19% by 2020, with the unorganised segment's share reducing to 81%. Organised retail therefore, has the potential to reach ~US\$ 160 billion. (Source: IBEF, Care, PwC, Business Today)

### Opportunities for domestic and international players

	Organised retail penetration (2014)		CAGR (2015-20)	
	Modern retail	Traditional retail	Brick-and-mortar	E-tail
Malaysia	43%	57%	1%	11%
Indonesia	16%	84%	2.5%	38%
Thailand	45%	55%	3.2%	14.1%
Vietnam	25%	75%	4.5%	25.4%
India	8%	92%	32%	63%

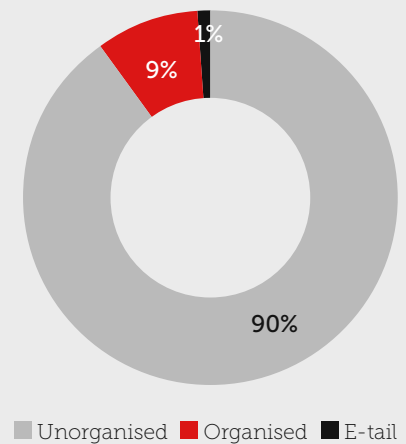
[Source: Spire Research and Consulting]

### India's median at 27 years age much lower than most peers



(Source: Systematix Institutional Research)

### Segment-wise contribution, April 2018



(Source: IBEF)

### Segment-wise contribution in retail

Food and beverages	Clothing and textiles	Consumer durables and IT	Home décor and furnishings	Beauty and personal care	Footwear	Others
69%	11%	4%	3%	8%	2%	3%

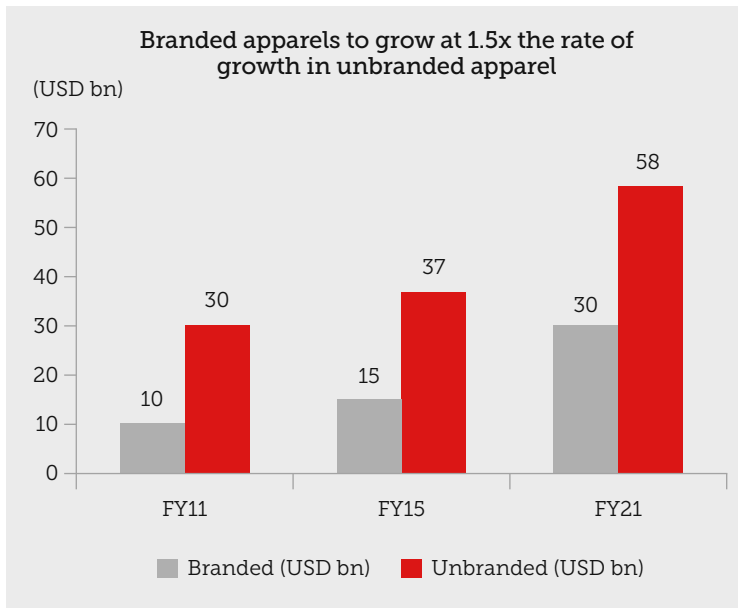
(Source: IBEF)

### Branded apparel retail – the next big opportunity

While the branded apparels space has grown at a CAGR of >20% during the past five years, the industry is still at a nascent stage. This is vindicated by the fact that India's top-15 fashion brands account for <10% share of the

market. It is a budding medium-to-long term story, entailing companies to build scale to drive margins, enhance cash flows and improve returns. Despite the temporary after-effects of the demonetisation, the

sector is likely to witness a structural shift - from the unorganised to the organised - thanks to the implementation of the GST and rising disposable incomes.



### Governmental initiatives

- The Government of India's decision to allow 100%-FDI in online retail of goods and services through the automatic route has provided clarity on the existing businesses of e-commerce companies operating in India
- With the demand for skilled labour growing among Indian industries, the government plans to train 500 million people by 2022 and is also encouraging private players and entrepreneurs to invest in the venture. Many governments,

corporate and educational organisations are working towards providing training and education to create a skilled workforce.

- The Government of India has drafted a new Consumer Protection Bill with special emphasis on setting up an extensive mechanism to ensure simple, speedy, accessible, affordable and timely delivery of justice to consumers.
- In the pre-GST regime, retailers could give a discount of up to 8%

on market operating prices that are usually 3-10% lower than the maximum retail prices across products. With the increase in tax incidence, such steep discounts are no longer feasible.

- The Government of India, as a part of the Union Budget 2018-19, decided to reduce the corporate tax to 25% for companies reporting a turnover of  $\geq$  ₹2.5 billion.

(Source: PIB)

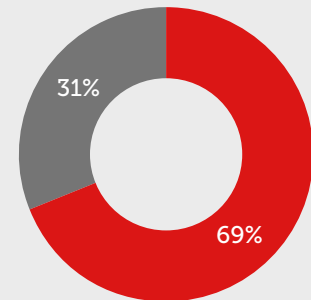
## Growing rural prosperity

**Direct benefit transfers:** The government transferred subsidies and payments directly to bank accounts of beneficiaries resulting in reduction of leakages and elimination of middlemen. This improved transparency and ensured subsidies reached the right beneficiaries.

**Wages:** Nominal rural wage growth remained stable at 6-6.5% in FY17 and in the first four months of FY18. Due to declining inflation, real rural wages accelerated over 12 months. After remaining flat y-o-y in 1HFY17, growth improved to 3.3% in 2HFY17 and to 4.8% during April-July 2017, the fastest in four years.

**Minimum support price:** The government announced MSPs for rabi crops in October 2017. On a simple average basis, the MSP hike for rabi crops was 8.3% for FY18. While lower than the 11.3% hike in FY17, it was better than the average hike of 7.1% across five years. MSP for wheat increased by 6.8% in FY18, the fastest pace in six years. With the government announcing MSPs to be at least 1.5x of the cost of farming, farmer earnings are expected to strengthen.

### Large number of households already in urban India



■ 180 mn households, Rural  
■ 90 mn households, Urban

(Source: Census data, Systematrix Institutional Research)

### Age distribution of the Indian population (%)

	1991	2001	2011	2016 (E)
0-14 years	37.3	35.4	30.76	27.71
15-64 years	55.4	56.9	63.4	66.2
>64 years	7.3	7.7	5.83	6.09

[Source: CIA – The World Factbook]

### Family dynamics

Type of households	Share in total households (%)	Change: 2001 to 2011 (%)
Single person	4	35
Nuclear	52	30
Sub nuclear	5	14
Supplemented nuclear	16	33
Broken extended	4	18
Joint	16	9
Others	2	49
Total	100	29

[Source: Census]

## GST impact

The GST has been the biggest indirect tax reform which was long awaited and promises to create a unilateral platform for all goods and services offered in India. The is expected to change the nature of retail in the country by influencing the high volumes of transaction in

the industry and generating large scale employment in both urban and rural areas.

### Supply chain structure

- GST as a unified tax regime is expected to lead to a re-evaluation of procurement and distribution

arrangements.

- Removal of excise duty on products would result in cash flow improvements.

### Cash flow structure

- Tax refunds on goods purchased for resale implies a significant



reduction in the inventory cost of distribution

- Distributors are also expected to experience cash flow from collection of GST in their sales, before remitting it to the government at the end of the tax-filing period

**Pricing and profitability**

- Elimination of tax cascading is expected to lower input costs and

improve profitability

- Application of tax at all points of supply chain is likely to require adjustments to profit margins, especially for distributors and retailers

**System changes and transition management**

- Changes need to be made to accounting and IT systems in order

to record transactions in line with GST requirements

- Appropriate measures need to be taken to ensure smooth transition to the GST regime through employee training, compliance under GST, customer education and inventory credit tracking

**Growth drivers of India's organised retail sector**

<b>Emerging cities:</b>	The retail sector in Tier-II and III cities has witnessed investments worth US\$ 6,192 million between 2006 and 2017 compared to US\$ 1,295 million when it came to Tier-I and metro cities.
<b>Family structures</b>	In addition to growth of nuclear families in urban areas, there has been a 29% increase in nuclear families in rural areas. ~7 million households are expected to be added each year thanks to nuclearisation. Proportion of nuclear households projected to increase to 74% by 2025.
<b>Growing urbanisation</b>	India's urban population is ~33.5% of the total population and contributes >60% of the country's GDP. It is estimated that the urban population will contribute ~75% of the GDP by 2030. By 2050, it is estimated that the number of people living in Indian cities will reach 850 million.
<b>Online boom</b>	Internet penetration is expected to grow to 55% by 2025 (850 million users) from 25% in 2016. Online buyers are expected to increase to 350 million by 2025 from the existing 90 million.
<b>National prosperity</b>	Since 2000, India's household wealth has grown by 9.2% annually, a rate faster than the global average (6%) keeping in mind the population growth of 2.2% per annum. India's total household wealth increased by 10% to US\$5 trillion by mid-2017 while market capitalisation increased by 30%. India accounted for the eighth-largest wealth gain globally, with a growing affluence of US\$451 billion. Domestic household wealth is anticipated to grow by 7.5% annually, reaching \$7.1 trillion by 2022. The number of millionaires grew by 21.3% to reach 245,000 in mid-2017, owning US\$988 billion in wealth. (Source: Credit Suisse)
<b>Rising affluence</b>	Elite and affluent households will become the largest combined segment by 2025. Elite households are expected to grow to 20% by 2025 from 12% in 2016. Affluent households are expected to grow to 20% by 2025 from 15% in 2016.
<b>Credit availability</b>	Demonetisation and digitisation has resulted in the increased use of credit and debit card, e-wallets and digital payments. This has resulted in increased spending activities.

## Financial analysis, FY2017-18

V2 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	Profit and loss statement	Working capital management
<ul style="list-style-type: none"> <li>Net worth increased to ₹274 crore as on 31st March 2018 compared to ₹156.34 crore as on 31st March 2017</li> <li>The Company was debt-free in FY2017-18 as compared to borrowings of ₹8.6 crore during FY2016-17</li> <li>Total non-current assets for FY2017-18 stood at ₹103.3 crore compared to ₹100.9 crore in FY2016-17</li> </ul>	<ul style="list-style-type: none"> <li>Gross profit margin increased by 284 bps from 29.4% in FY2016-17 compared to 32.2% in FY2017-18</li> <li>Total expenses for FY2017-18 stood at ₹516.7 crore as compared to ₹445.3 crore in FY2016-17</li> <li>Depreciation and amortisation stood at ₹8.4 crore in FY2017-18 compared to ₹6.1 crore in FY2016-17</li> <li>EBITDA increased to ₹55 crore in FY2017-18 compared to ₹43.1 crore in FY2016-17</li> </ul>	<ul style="list-style-type: none"> <li>Current assets as on 31st March 2018 stood at ₹273.7 crore compared to ₹126.3 crore as on 31st March 2017</li> <li>Current ratio as on 31st March 2018 stood at 2.55 compared to 1.77 as on 31st March 2017</li> <li>Inventories increased from ₹114.6 crore as on 31st March 2017 compared to ₹160.2 crore as on 31st March 2018</li> <li>Other current assets grew to ₹18.4 crore in FY2017-18 compared to ₹5 crore in FY2016-17</li> <li>Current liabilities stood at ₹112 crore as on 31st March 2018 compared to ₹78.6 crore as on 31st March 2017</li> <li>Cash and cash equivalents stood at ₹4.8 crore as on 31st March 2018 compared to ₹6.2 crore as on 31st March 2017</li> <li>Investments stood at ₹89.7 crore as on 31st March 2018 compared to nil as on 31st March 2017</li> </ul>

## 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 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 Company has an efficient 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 that ensures that the financial reporting process and the disclosure of its financial information are correct, sufficient and credible. These are reviewed by the management and recommendations are made prior to the finalisation of financial statements.

## Human resources

V2 Retail believes that its competitive advantage lies within its people. The Company's people bring to the stage a multi-sectoral experience, technological experience and domain knowledge. The Company's

HR culture is rooted in its ability to subvert age-old norms in a bid to enhance competitiveness. The Company always takes decisions which are in alignment with the professional and personal goals

of employees, thereby achieving an ideal work-life balance and enhancing pride association. The employee count stood at 2,397 as on March 31, 2018.



## V2 RETAIL LIMITED

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

# NOTICE

NOTICE IS HEREBY GIVEN THAT SEVENTEENTH ANNUAL GENERAL MEETING OF V2 RETAIL LIMITED WILL BE HELD ON SATURDAY, 29TH SEPTEMBER, 2018 AT KHASRA NO. 1138, SHANI BAZAR CHOWK, RAJOKARI, NEW DELHI 110038 AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To consider and adopt the audited Financial Statement of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors' and the Auditor's thereon.
2. To appoint a director in place of Mrs. Uma Agarwal (DIN:00495945), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers herself for reappointment.

"RESOLVED THAT, pursuant to section 152 and other applicable provisions, if any, of the Companies Act, 2013, the approval of members of the Company be, and is hereby accorded to the re-appointment of Mrs. Uma Agarwal (DIN: 00495945), as a Whole Time Director of the company at a monthly remuneration of Rs 500,000 (Five lakhs), who retires by rotation at this meeting and who shall be liable to retire by rotation.

3. To Ratify the appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants, Statutory Auditors of the Company and fix their remuneration 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and including any

statutory modification(s) or re-enactment thereof for the time being in force, and pursuant to the resolution passed by the members at the Annual General Meeting held on September 29, 2017 appointing M/s. Walker Chandiook & Co LLP, Chartered Accountants, Delhi (Firm Registration No. 001076N/N500013) as the Statutory Auditors of the Company, to hold office for 5 (Five) years from the conclusion of 16th Annual General Meeting until the conclusion of 21st Annual General Meeting of the Company, be and is hereby ratified from the conclusion of this (Seventeenth AGM) Annual General Meeting till the conclusion of the Eighteen Annual General Meeting of the Company, and that the Board of Directors be and is hereby authorised to fix such remuneration payable to them in consultation with the Auditors.

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

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

**Ram Chandra Agarwal**

(Chairman & Managing Director)

DIN: 00491885

Date: 01-09-2018

Place: New Delhi



## Notes:

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

### **A BLANK PROXY FORM IS ENCLOSED.**

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

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

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

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

2. No special business/resolutions are being transacted at 17th Annual General Meeting hence explanatory Statement as required under Section 102 of Companies Act, 2013, relating to the special business to be transacted at the meeting is not applicable.
3. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
4. Members /Proxies/ Authorised Persons attending the Annual General Meeting (AGM) of the Company are requested to hand over the Attendance Slip, duly filled in for admission to the AGM hall.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members holding Shares in demat/electronic form are requested to write their Client ID and DP ID and those holding Shares in physical form are requested to write their folio number in the attendance slip and deliver duly signed attendance slip at the entrance of the meeting hall.
7. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the Company.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
9. The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
10. No gifts, gifts coupons, or cash in lieu of gifts is distributed in the Meeting.
11. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) intending to send their authorized representatives to attend the Meeting are requested to send certified true copy of the Board Resolution/Authority Letter, together with attested specimen signature(s) of the duly authorized representative(s), to the Company to attend and vote on their behalf at the Meeting.
12. All documents referred to in the notice are open for inspection at the registered office of the Company between 11:00 A.M. to 1:00 P.M. on all working days up to the date of Annual General Meeting.
13. Pursuant to the provisions of Section 124 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) no amount is unclaimed towards dividend to any shareholder.
14. Members are requested to intimate immediately the change of address or demise of any Member, if any,

to the Company's Registrar and Transfer Agents or Depository Participant, as the case may be to prevent frauds.

15. Statement giving details of the Director seeking appointment/ re-appointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Secretarial Standard on General Meeting ("SS-2").
16. Pursuant to Regulation 46(2) (j) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 the Company has created an exclusive E-mail ID: cs@vrl.net.in for quick redressal of Members/ investors grievances.
17. The Register of Members and Share Transfer Books of the Company shall remain closed from September 23, 2018 to September 29, 2018 (both days inclusive).
18. Members/Proxies should bring their copy of the Annual Report for reference at the meeting and also the duly filled in and signed attendance slip for attending the meeting.
19. Shareholders, who are holding shares in identical order of name in more than one folio, are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holding in one folio. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
20. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
21. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filling form SH-13. Members holding shares in the dematerialized form may contact their Depository Participant for recording the nomination in respect of their holdings.
22. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the space provided in the Attendance Slip and hand it over at the registration counter.
23. In terms of SEBI notification, the shares of the Company are subject to compulsory trading only in dematerialized form on the stock exchange hence members are requested to convert their physical share certificates into electronic form.
24. In terms of Section 72 of the Companies Act, 2013, the shareholders of the Company may nominate a person to whom the shares held by him shall vest in the event of his death.
25. Non-Resident Indian Members are requested to inform RTA, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement or
  - (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.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Share Transfer Agent (RTA), Link Intime India Private Limited, 44, Community Centre, 2nd floor, Naraina Industrial Area, Phase-I, PVR Naraina, New Delhi-110028 and also at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060 Email: delhi@linkintime.co.in
26. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting a request letter in this respect to the Company / Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only.
27. The Notice of AGM along with annual report and Attendance Slip are being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless

the members have registered their request for a hard copy of the same. Physical copies of the Notice of AGM along with annual report and Attendance Slip are being sent to those members who have not registered their e-mail IDs with the Company or Depository Participant(s).

## 28. VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide members facility to exercise their rights to vote on resolutions proposed in this notice by electronic means ("remote e-voting") and the business may be transacted through e-voting services, the said resolutions will not be decided on a show of hands at the AGM. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide remote e-voting facilities and for security and enabling the members to cast their vote in a secure manner.

### The instructions for members for voting electronically are as under:- In case of members

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

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

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible

### receiving e-mail:

The voting period begins on Wednesday, September 26, 2018 at 10.00 a.m. and ends on Friday September 28, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, September 22, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

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

to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- viii) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- ix) Click on the EVSN for <V2 RETAIL LIMITED> on which you choose to vote.



- x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xv) If demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. Them-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobileapp while voting on your mobile.
- xvii) Note for Non- Individual Shareholders and Custodians :
- Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- In case of members receiving the physical copy:  
Please follow all steps sl. no. (i) to sl. no. (xvii) above to cast vote.
- xviii) The share holders can opt for only one mode of voting, i.e. either ballot voting by attending AGM or remote e-voting. If any shareholders opt for remote e-voting, he/she will not be eligible to vote physically in AGM. However members who are attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting
- xix) The official responsible to address the grievances connected with voting by electronic means—Mr. Umesh Kumar, Company Secretary & Compliance Officer and Mr. Vipin Kaushik, Chief Financial Officer, Ph. No. 011-41771850
29. Company shall publish the result of remote e-voting & the resolutions passed at its general meeting on its Website.
30. The Board of Directors has appointed Mr Sharwan Kumar Goel, Chartered Accountant in practice (Firm Registration No.027892N.) as the Scrutinizer, for conducting the voting / poll and remote e-voting process in a fair and transparent manner.
31. The Scrutinizer shall within a period of three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and prepare the scrutinizer report of the votes cast in favour or against, if any, forthwith to the Chairman and in his absence to the Company Secretary of the Company.
32. The result of voting shall be declared by the Chairman of the meeting on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.v2retail.com](http://www.v2retail.com) and on the website of the CDSL immediately after the result is declared by the Chairman.

32. The result will also be communicated to stock exchange where the shares of the Company are listed.
33. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and as per Rule 18 of the Companies (Management and Administration) Rules, 2014 allowed companies to send any notice/document (including Annual Report) to its members via e-mail. In order to support the same members hereby requested to register, update and provide their respective operational e-mail id to RTA i.e. Link Intime India Private Limited or/and their respective Depository Participant (DP's).
34. Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 8, 2018 and others respective allied Acts, rules and regulations as amended thereof, members holding shares in physical form are hereby requested to urgently convert them in Dematerialization form by requesting the RTA i.e. Link Intime India Private Limited or/and their respective Depository Participant (DP's).

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

Name and Age of Director	Mrs. Uma Agarwal
Date of Birth	15/11/1975
Age	43
DIN	00495945
Date of first Appointment in board	23/07/2001
Expertise in Specific Functional Area	She holds more than Fifteen years of experience in Retail Industry
Qualifications	Bachelor's Degree in Arts
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	To be appointed as Whole Time Director being eligible to retire by rotation and remuneration is ₹500,000 (Five lakhs) Per Month
Last Drawn Remuneration	₹500,000 (Five lakhs) Per Month
Directorship in Other Companies as on date	V2 Conglomerate Limited, Unicon Marketing Pvt Ltd, Ricon Commodities Pvt. Ltd., RishikeshCommosales Private Limited, Topline Vintrade Private Limited, Vishal Waterworld Private Limited, Sunita Fashion Private Limited
No. of Board Meeting attended during the year 2017-2018	12
Membership/Chairmanship of Other Public Companies Committees	None
Relationship with other Directors	Mrs. Uma Agarwal is wife of Mr. Ram Chandra Agarwal & mother of Mr. Akash Agarwal
Shareholding in the Company	3,44,000 (Three lakhs Forty Four Thousand) Equity Shares as on March 31, 2018
Brief Resume	Mrs. Uma Agarwal hold Bachelor's Degree in Arts and She holds more than Fifteen years of Experience in Retail Industry.

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

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

**Ram Chandra Agarwal**  
Chairman & Managing Director  
DIN: 00491885

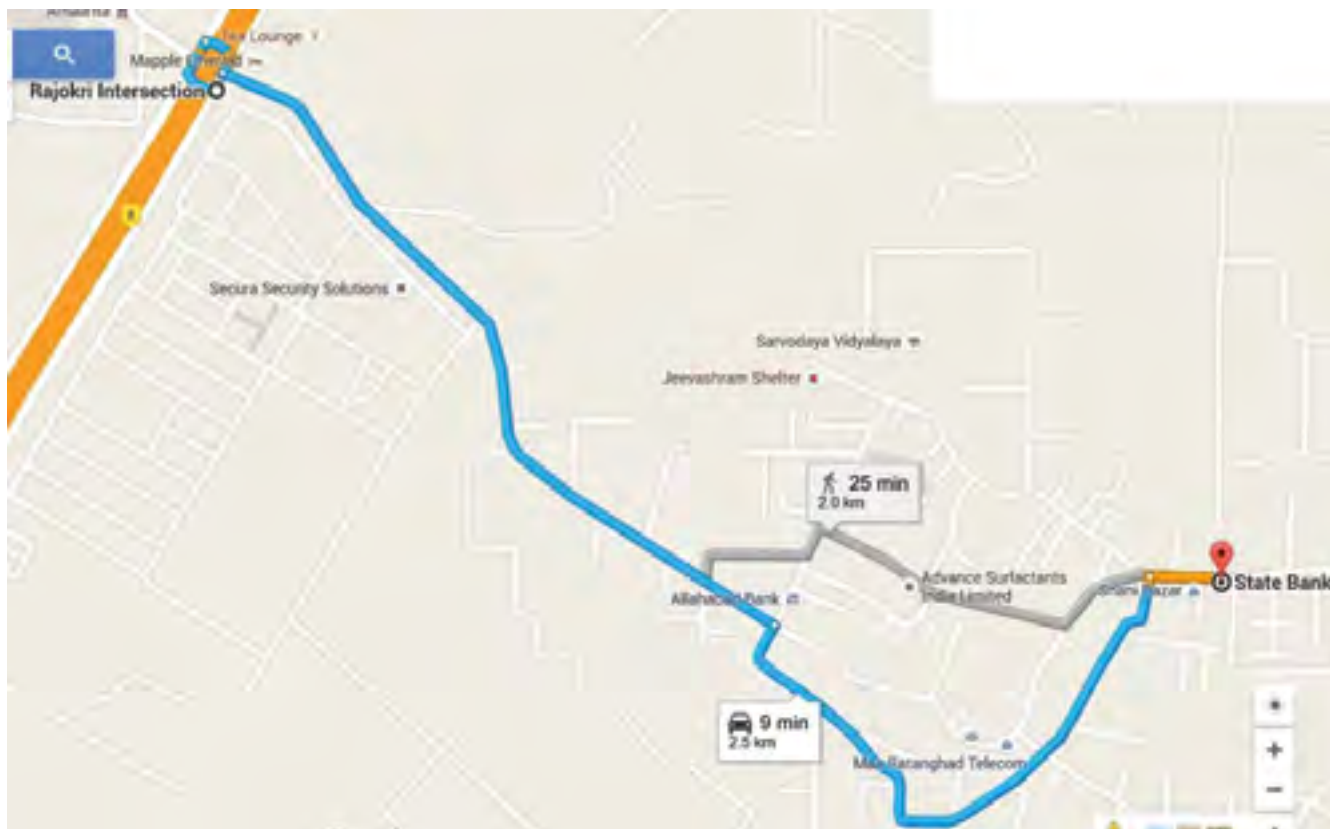
Date: 01-09-2018  
Place: New Delhi

Route map to the venue of the 17thAGM

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

**Landmark: SBI-ATM at Shani Bazar**

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





# DIRECTORS' REPORT

*Dear members,*

It gives me great pleasure to share with you the performance of your company along with audited accounts for the financial year ended March 31, 2018.

## 1. State of company Affairs

The Financial Year 2017-18 was marked with volatility and disruptions due introduction of GST and its impacts. Your company however continued to perform consistently well in these challenging times and deliver better results. With sales at ₹559 Crore, V2 retail has registered an overall growth of 19% in the turnover. EBIDTA at ₹55 Crore has also grown by 28% over previous year.

In order to strengthen its market share, the company have added 12 stores and also taken steps to improve the supply chain network. Besides, efficiency improvement and cost optimisation have been followed vigorously across all the functions of the organisation.

## Financial Results

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

Particulars	(₹ in lakhs)	
	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Revenue	56,265.91	47,363.75
Profit before Interest, Depreciation & Taxation	5,498.92	4,311.62
Interest & Finance Costs	57.49	861.39
Depreciation and amortisation	840.64	614.48
Profit from Operations before Exceptional Items and Tax	4,600.79	2,835.75
Exceptional Items	-	2,331.44
Profit before Taxation	4,600.79	5,167.19
Less : Provision for Taxation		
- Current Tax	-	-
- Deferred Tax	1,492.59	1,264.03
Profit After Taxation	3,108.20	3,903.16

## 2. Operations Review

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

During the year, the number of "V2" stores increased to 49 (forty-nine) with total retail area in excess of 5.56 lakhs sq. ft. The Company added 16 (sixteen) and closed 4 (four) stores during the year.

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

## 3. Dividend

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

#### 4. Transfer to Reserve

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

#### 5. Material changes and commitments

Company have adopted IND-AS for the first time from financial year 2017-18, except the above No material changes and commitments have occurred from the date of close of the financial year till the date of this Report, which might affect the financial position of the Company.

#### 6. Share Capital

The paid - up share capital of the Company was increased from ₹3092.27 lakhs to ₹3392.27 lakhs as on March 31, 2018.

During the year the Company made allotment of 20,00,000 shares to India 2020 Fund II, Limited at a price of ₹380/- per Equity Shares amounting to ₹7600 lakhs and conversion of 10,00,000 warrants into 10,00,000 Equity Shares amounting to ₹562.50 lakhs (being remaining 75%

amount) pursuant to exercise of option for conversion of warrants by M/s Ricon Commodities Private Limited (Promoter Group).

#### 7. Transfer to Investor Education Protection Fund

Pursuant to the provisions of Section 205C of the Companies Act, 1956 (Section 125 of the Companies Act, 2013), your Company has not transferred any amount during the year 2017-18 to the Investor Education and Protection Fund.

#### 8. Employee Stock Option Scheme

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

The information required to be disclosed under SEBI (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2018 are as follows:

Particulars	Details
Date of Shareholders Approval	September 30, 2016
Number of Options	12,44,380 (Twelve lakh forty four thousand three hundred eighty) options to be convertible into equal number of fully paid up Equity Shares of the Company of face value of ₹10 each.
Number of options outstanding at the beginning of the year	246,763
Number of options granted during the year	25,596 (net of ESOP lapsed during the year)
Number of options forfeited / lapsed	44,650
Number of options vested during the year	-
Number of options exercised during the year	-
Number of shares arising as a result of exercise of options	-
Money realized by exercise of options	-
Number of options outstanding at the end of the year	227,709
Number of options exercisable at the end of the year	227,709
Exercise Pricing Formula	Exercise price is Face Value of the Share of the company as on date on which the options are exercised by employee.

Person-wise details of options granted as on March 31, 2018:

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

## 9. Bonus issue

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

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

There was no change in the nature of business of the Company during the financial year ended March 31, 2018 except alteration of MOA of the company as approved by member of the company through postal ballot during the year w.e.f. September 21, 2017.

Further Company is planning to broaden its operations by adding new retail stores for strengthening existence and to reach amongst the larger consumer base to enhance its turnover and operating revenue.

## 11. Internal Control systems and their adequacy

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

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

Board of Directors of the company has appointed M/s. Sharma G & Associates (FRN No. 027579N), Chartered Accountant, as the Internal Auditor of the Company to

conduct the Internal Audit Functions for Financial Year 2017-18.

A summary of all significant findings by the audit department along with the follow-up actions undertaken thereafter is placed before the Audit Committee for review. The Audit Committee reviews the comprehensiveness and effectiveness of the report and provides valuable suggestions and keeps the Board of Directors informed about its major observations, from time to time.

## 12. Internal financial controls

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

## 13. Segment Reporting

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

## 14. Cash Flow Analysis

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

## 15. Subsidiary companies, joint ventures and associate companies

The Company had no subsidiary and joint venture during the financial year 2017-18. Further, there are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").



## 16. Consolidated financial statements

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

## 17. Deposits

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

## 18. Secretarial Standards of ICSI

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

## 19. Auditors and Auditors' Report

### Statutory audit

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

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

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

#### Qualification and response to Auditor's Report

- (i) As stated in Note 7 to the financial results, the Company's other equity as at March 31, 2018 includes an amount of ₹365.36 lakhs in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial results.

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

- (ii) As stated in Note 8 to the financial results, the Company's contingent liabilities as at 31 March 2018 include an amount of ₹2,542.65 lakhs relating to litigations pending with various authorities, for which the Company's management has not been able to provide necessary details and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts including management's evaluation of likely outcome of such litigations in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the financial results.

**Management Response:** Out of contingent liabilities existing as at 31 March 2018, certain liabilities aggregating to ₹2,542.65 lakhs are under appeal with different authorities at different levels. Whilst the impact of contingent liabilities on these results can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial results.

### Secretarial audit

Pursuant to the provisions of Section 204 of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Sunpreet Singh & Associates, Company Secretaries, New Delhi, as its secretarial auditor to undertake the secretarial audit for FY 2017-18. The secretarial audit report certified by the secretarial auditors, in the specified form MR-3 is annexed herewith and forms part of this report **and enclosed as Annexure-I**. The secretarial audit report does not contain any qualifications, reservations or adverse remarks.

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

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

## 21. Conservation energy, technology and foreign exchange outgo

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

## 22. Extract of Annual Returns

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

## 23. Corporate social responsibility

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

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

## 24. Directors and key managerial personnel

In accordance with provisions of Section 152 of the Act read with Rules made thereunder, Mrs. Uma Aggarwal (DIN 00495945), Whole Time Director is liable to retire by rotation at the 17th AGM and being eligible, offer herself for reappointment.

At the 16th Annual General Meeting held on Friday, 29th September 2017, the Shareholders have reappointed Mr. Ram Chandra Agarwal as chairman and Managing Director of the company for a period of 5 years w.e.f. November 22, 2016 and Mr. Akash Agarwal as Whole time Director of the Company for a period of 5 years w.e.f. 29.09.2017.

Independent Directors namely, Mr. Siya Ram & Mr. Jitender were appointed as Independent Director of the Company for a consecutive term of five years at 16th Annual General Meeting of the Company.

Mr. Manshu Tandon has been appointed as Chief Executive Officer of the Company w.e.f. October 16, 2017 and Mr. Vipin Kaushik Appointed as Chief Financial Officer w.e.f. May 30, 2017.

Mr. Rohit Singh Rautela, Independent Director has resigned from the Board of Directors of the Company w.e.f. May 03, 2017 and Mr. Varun Kumar Singh has resigned from Chief Financial Officer of the company w.e.f. May 23, 2017.

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

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

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

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

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

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

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

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

The Directors are also updated on the changes in relevant corporate laws relating to their roles and responsibilities as Directors. The details of the Board familiarization programme for the Independent Directors can be accessed at [www.v2reatil.com](http://www.v2reatil.com)

## 26. Performance evaluation

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

- Attendance
- Preparedness for the meeting
- Staying updated on developments
- Active participation in meetings
- Constructive contributions/positive attributes

- Engaging with and challenging management team without being confrontational or obstructive
- Protection of stakeholder interests
- Contribution to strategic planning
- Carrying out responsibilities as per the code of conduct

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

## 27. Number of meetings of the Board

The Board of Directors held Twelve meetings during the year on April 17, 2017; May 05, 2017; May 30, 2017; July 31, 2017; August 21, 2017; September 12, 2017; October 07, 2017; October 16, 2017; December 11, 2017; January 09, 2018; February 03, 2018; March 30, 2018 The maximum time gap between any two meetings was less than 120 days as stipulated under SEBI's Listing Requirements, 2015. The details of Board Meetings held and attendance of Directors are provided in the Report on Corporate Governance forming part of this report.

## 28. Separate meeting of Independent Directors

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

## 29. Committees of the Board

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

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

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



### 30. Whistleblower policy

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

### 31. Remuneration policy

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

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

### 32. Related party transactions

All related party transactions entered into by the Company during the financial year were at arm's length. During the year the Audit Committee had granted an omnibus approval for transactions which were repetitive in nature for one financial year and all such omnibus approvals were reviewed by the Audit Committee on a quarterly basis. No material contracts or arrangements with related parties were entered into during the year under review. All related party transactions were placed in the meetings of Audit Committee and the Board of Directors for the necessary review and approval. Your Company's policy on related party transactions, as approved by the Board, can be accessed at: [www.v2retail.com](http://www.v2retail.com)

### 33. Particulars of loans, guarantees and investments

During the financial year ended March 31, 2018 the Company has made an investment of ₹8965.30 lakhs in accordance with section 186 of the Companies Act 2013 are given in the notes to financial statements. During the year, the company has not granted loans, guarantee and or provided any security.

### 34. Particulars of employees and managerial remuneration

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

### 35. Management discussion and analysis and Corporate Governance Report

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

### 36. Risk Management system

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

### 37. Prevention of sexual harassment at workplace

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

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

### 38. Depository Systems

Company's shares are compulsorily tradable in electronic form. As on March 31, 2018, 2,93,13,533 Equity Shares stand with the NSDL Account and 44,50,512 Equity Shares stand with the CDSL and 1,58,639 Equity Shares stands in physical form.

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

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

### 39. Listing Of Shares

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

I. National Stock Exchange of India Limited (NSE)

"Exchange Plaza" C-1, Block G,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400051

II. BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
Mumbai – 400001

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

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

### 41. Dividend Distribution Policy

The Company has formulated a dividend distribution policy which is enclosed as **Annexure-VII** and the same is also displayed on the website of the company i.e. [www.v2retail.com](http://www.v2retail.com).

### 42. Industrial Relations

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

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

### 43. General

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

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

#### 44. Directors' Responsibility Statement

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

- 1) In the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and no material departures have been made there from. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date.
- 2) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 3) The annual accounts were prepared on a going concern basis.
- 4) The Directors have laid down effective internal financial controls to consistently monitor the affairs of the company and that such internal financial controls were adequate and operating effectively.
- 5) The Directors have devised a proper system to ensure compliance with the provisions of all applicable laws and the same are adequate and operating effectively.

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

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

#### 46. Acknowledgements

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

**For and on behalf of the Board**

**Ram Chandra Agarwal**

*Chairman and Managing Director*

DIN 00491885

Place: Delhi

Date: 01-09- 2018



## **ANNEXURE - I**

### **Form No. MR-3**

#### **SECRETARIAL AUDIT REPORT**

#### **FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

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

To,  
The Members,  
**V2 RETAIL LIMITED**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the financial year from 01st April, 2017 to 31st March, 2018 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

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

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

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

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

**We report that:**

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

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

We further report that, the Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Mr. Rohit Singh Rautela, (DIN 05118387) Independent Director was resigned from board due to personal reason on May 03, 2017 and Mr. Jitender (DIN: 07905191), Mr. Siya Ram (DIN 07350695) was appointed as Independent Director of the company and Mr. Akash Agarwal as Whole Time Director of the company by the members of the company during the AGM dated September 29, 2017.

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

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

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

- (i) Public/Rights/Preferential issue of debentures/sweat equity except, the Company has made Preferential Allotment of 20, 00,000 equity shares @ ₹380/- each to Non Promoter Group on 16-10-2017 and Company has converted 10, 00,000 Convertible Warrant and allotted 10, 00,000 Equity Shares @ ₹75/- each to Ricon Commodities Pvt. Ltd. (Promoter Group) on 16.10.2017.
- (ii) Redemption/Buy back of securities.
- (iii) Merger/Amalgamation/Reconstruction.
- (iv) Foreign technical collaborations.

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

Date: August 08, 2018  
Place: New Delhi

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

## ANNEXURE - II

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

#### (A) Conservation of energy-

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

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

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

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

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

(a) Details of technology imported - NA

(b) Year of import - NA

(c) Whether the technology been fully absorbed - NA

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

(iv) Expenditure incurred on Research and Development - Nil

#### (B) Technology absorption-

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

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

#### (C) Foreign Exchange Earnings and outgo

The Company is not indulged into export of goods. No activities relating to exports have been undertaken by the Company during the financial year 2017-2018.

Particulars	2017-18	2016-17
<b>Foreign Exchange Outgo</b>		
Travelling	1,70,000	81464
Consultancy	Nil	Nil
Others	Nil	Nil
<b>Imports</b>		
Raw Materials	Nil	Nil
Finished Goods	Nil	Nil
Capital Goods	Nil	Nil
Others		
<b>Foreign Exchange Earnings</b>		
Earnings in foreign exchange	Nil	Nil

(₹)



## ANNEXURE - III

### Form No. MGT-9

Extract of Annual Return as on the Financial Year ended on 31.03.2018

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

#### I. REGISTRATION AND OTHER DETAILS

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

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any subsidiaries during the financial year 2017-18. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

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

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2017)				No. of Shares held at the end of the year (As on March 31, 2018)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individuals/HUF	3706911		3706911	11.99	3706911		3706911	10.92	-1.07
b) Central Govt.									
c) State Govt.									
d) Bodies Corporate	12592710		12592710	40.72	13716844		13716844	40.44	-0.28
e) Banks/ FI									
f) Any Other									
<b>Sub-total (A) (1):-</b>	<b>16299621</b>		<b>16299621</b>	<b>52.71</b>	<b>17423755</b>		<b>17423755</b>	<b>51.36</b>	<b>-1.35</b>
<b>(2) Foreign</b>									
a)NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
<b>Sub-total (A) (2):-</b>									
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>16299621</b>		<b>16299621</b>	<b>52.71</b>	<b>17423755</b>		<b>17423755</b>	<b>51.36</b>	<b>-1.35</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds / UTI					606431		606431	1.79	1.79
b) Banks / FI	29360		29360	0.09	61578		61578	0.18	0.09
c) Central Government / State Government(s)									
d) Central Government / State Government(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) Foreign Institutional Investors									
h) Foreign Venture Capital Investors									
h) Qualified Foreign Investors									
i) Foreign Portfolio Investor					3201780		3201780	9.44	9.44
i) Any Other (Specify)									
<b>Sub-total (B)(1):-</b>	<b>29360</b>		<b>29360</b>	<b>0.09</b>	<b>3869789</b>		<b>3869789</b>	<b>11.41</b>	<b>11.32</b>
<b>2. Non-Instituions</b>									
a) Bodies Corp.									
i) Indian	4635423		4635423	14.99	3759070		3759070	11.08	-3.91
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh /Upto ₹2 lakhs	4466880	8726	4475606	14.47	5362133	8639	5370772	15.83	1.36
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh/ ₹2 lakhs	4674642	150000	4824642	15.6	2661382	150000	2811382	8.29	-7.31
c) Others									
Foreign Nationals									
NRI	240350		240350	0.77	260997		260997	0.77	
Clearing House/Clearing Member	244273		244273	0.78	125937		125937	0.37	-0.41

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2017)				No. of Shares held at the end of the year (As on March 31, 2018)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Limited Liability Partnership/HUF	173409		173409	0.56	300982		300982	0.89	0.33
Trust									
Any other									
<b>Sub-total (B)(2):-</b>	<b>14434977</b>	<b>158726</b>	<b>14593703</b>	<b>47.19</b>	<b>12470501</b>	<b>158639</b>	<b>12629140</b>	<b>37.23</b>	<b>-9.96</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>14464337</b>	<b>158726</b>	<b>14623063</b>	<b>47.29</b>	<b>16340290</b>	<b>158639</b>	<b>16498929</b>	<b>48.64</b>	<b>1.35</b>
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	<b>30763958</b>	<b>158726</b>	<b>30922684</b>	<b>100</b>	<b>33764045</b>	<b>158639</b>	<b>33922684</b>	<b>100</b>	<b>-</b>

## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2017)			Share holding at the end of the year (As on March 31, 2018)			% change in Shareholding 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	Akash Agarwal	2488750	8.0483	0	2488750	7.3365		-0.7118
2	Ram Chandra Agarwal	719161	2.3257	718694	719161	2.12	718694	-0.2057
3	Ram Chandra Agarwal (HUF)	155000	0.5013		155000	0.4569		-0.0444
4	Uma Agarwal	344000	1.1125	315000	344000	1.0141	315000	-0.0984
5	Unicon Marketing Private Limited	5444710	17.6075	5444500	5444710	16.0504	5444500	-1.5571
6	Ricon Commodities Private Limited	5940000	19.2092	4939500	6940000	20.4583	4939500	1.2491
7	Sunita Fashion Private Limited	248000	0.802		248000	0.7311		-0.0709
8	Vishal Waterworld Private Limited	960000	3.1045	959500	1084134	3.1959	959500	0.0914
	<b>Total</b>	<b>16299621</b>	<b>52.71</b>	<b>12377194</b>	<b>17423755</b>	<b>51.36</b>	<b>12377194</b>	<b>-1.35</b>

## iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2017)		Increase / (Decrease) in Shareholding	Date	Reason	Cummulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Akash Agarwal	2488750	8.0483				2488750	7.3365
2	Ram Chandra Agarwal	719161	2.3257				719161	2.12
3	Ram Chandra Agarwal (HUF)	155000	0.5013				155000	0.4569
4	Uma Agarwal	344000	1.1125				344000	1.0141
5	Unicon Marketing Private Limited	5444710	17.6075				5444710	16.0504
6	Ricon Commodities Private Limited	5940000	19.2092	1000000	16 Oct 2017	Conversion of warrants to Promoter Group	6940000	20.4583



Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2017)		Increase / (Decrease) in Shareholding	Date	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
7	Sunita Fashion Private Limited	248000	0.802				248000	0.7311
8	Vishal Waterworld Private Limited	960000	3.1045	124134	20 Mar 2018 21 Mar 2018 22 Mar 2018 23 Mar 2018 26 Mar 2018	Open Market Purchase	1084134	3.1959
	<b>Total</b>	<b>16299621</b>	<b>52.71</b>				<b>17423755</b>	<b>51.36</b>

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year	No. of Shares	Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of the Company			No. of Shares Held	% of Total Shares of The Company
1	BENNETT, COLEMAN AND COMPANY LIMITED	2035065	5.9991			2035065	5.9991
	AT THE END OF THE YEAR					2035065	5.9991
2	INDIA 2020 FUND II, LIMITED						
	Transfer (Preferential Allotment on 16.10.2017)			17 Nov 2017	2000000	2000000	5.8958
	AT THE END OF THE YEAR					2000000	5.8958
3	GOLDMAN SACHS INDIA LIMITED						
	Transfer			15 Dec 2017	954582	954582	2.8140
	AT THE END OF THE YEAR					954582	2.8140
4	SUBHKAM PROPERTIES LLP	240000	0.7075			240000	0.7075
	Transfer			01 Sep 2017	(19000)	221000	0.6515
	Transfer			08 Sep 2017	(75000)	146000	0.4304
	Transfer			15 Sep 2017	(137073)	8927	0.0263
	Transfer			20 Oct 2017	(8927)		
	Transfer			27 Oct 2017	400	400	0.0012
	Transfer			17 Nov 2017	10000	10400	0.0307
	Transfer			24 Nov 2017	5000	15400	0.0454
	Transfer			01 Dec 2017	5000	20400	0.0601
	Transfer			08 Dec 2017	15000	35400	0.1044
	Transfer			12 Jan 2018	15000	50400	0.1486
	Transfer			19 Jan 2018	10000	60400	0.1781
	Transfer			26 Jan 2018	10000	70400	0.2075
	Transfer			09 Feb 2018	275486	345886	1.0196
	Transfer			09 Mar 2018	10000	355886	1.0491
	AT THE END OF THE YEAR					355886	1.0491
5	SBI FMCG FUND						
	Transfer			16 Jun 2017	250000	250000	0.7370
	Transfer			23 Jun 2017	400000	650000	1.9161
	Transfer			21 Jul 2017	20000	670000	1.9751
	Transfer			08 Sep 2017	3937	673937	1.9867
	Transfer			03 Nov 2017	(20000)	653937	1.9277
	Transfer			10 Nov 2017	(12796)	641141	1.8900
	Transfer			01 Dec 2017	(11579)	629562	1.8559
	Transfer			08 Dec 2017	(28421)	601141	1.7721
	Transfer			05 Jan 2018	(80000)	521141	1.5363
	Transfer			26 Jan 2018	(261572)	259569	0.7652
	Transfer			02 Feb 2018	(58569)	201000	0.5925

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year	No. of Shares	Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction		No. of Shares Held	% of Total Shares of The Company
	Transfer			09 Feb 2018	112000	313000	0.9227
	AT THE END OF THE YEAR					313000	0.9227
6	SANKARANARAYANAN SANGAMESWARAN						
	Transfer			02 Jun 2017	34375	34375	0.1013
	Transfer			16 Jun 2017	171361	205736	0.6065
	Transfer			23 Jun 2017	71445	277181	0.8171
	Transfer			02 Mar 2018	6123	283304	0.8351
	AT THE END OF THE YEAR					283304	0.8351
7	VIVEK LODHA	1000000	2.9479			1000000	2.9479
	Transfer			15 Dec 2017	(740000)	260000	0.7664
	AT THE END OF THE YEAR					260000	0.7664
8	NARESH KUMAR BHARGAVA	1000000	2.9479			1000000	2.9479
	Transfer			15 Dec 2017	(590000)	410000	1.2086
	Transfer			09 Feb 2018	(125000)	285000	0.8401
	Transfer			02 Mar 2018	(25000)	260000	0.7664
	Transfer			09 Mar 2018	(20000)	240000	0.7075
	AT THE END OF THE YEAR					240000	0.7075
9	VINOD BASANTRAJ GANDHI	65000	0.1916			65000	0.1916
	Transfer			07 Apr 2017	2000	67000	0.1975
	Transfer			14 Apr 2017	1097	68097	0.2007
	Transfer			21 Apr 2017	7748	75845	0.2236
	Transfer			28 Apr 2017	6316	82161	0.2422
	Transfer			05 May 2017	11839	94000	0.2771
	Transfer			12 May 2017	6200	100200	0.2954
	Transfer			19 May 2017	8645	108845	0.3209
	Transfer			26 May 2017	162	109007	0.3213
	Transfer			02 Jun 2017	9825	118832	0.3503
	Transfer			09 Jun 2017	2474	121306	0.3576
	Transfer			16 Jun 2017	194	121500	0.3582
	Transfer			21 Jul 2017	6006	127506	0.3759
	Transfer			04 Aug 2017	5515	133021	0.3921
	Transfer			11 Aug 2017	5000	138021	0.4069
	Transfer			25 Aug 2017	(2000)	136021	0.4010
	Transfer			01 Sep 2017	(2500)	133521	0.3936
	Transfer			15 Sep 2017	5479	139000	0.4098
	Transfer			29 Sep 2017	1558	140558	0.4143
	Transfer			06 Oct 2017	892	141450	0.4170
	Transfer			13 Oct 2017	5651	147101	0.4336
	Transfer			20 Oct 2017	1849	148950	0.4391
	Transfer			10 Nov 2017	69	149019	0.4393
	Transfer			17 Nov 2017	3805	152824	0.4505
	Transfer			24 Nov 2017	7007	159831	0.4712
	Transfer			01 Dec 2017	1680	161511	0.4761
	Transfer			08 Dec 2017	2731	164242	0.4842
	Transfer			15 Dec 2017	5929	170171	0.5016
	Transfer			22 Dec 2017	5576	175747	0.5181
	Transfer			29 Dec 2017	6999	182746	0.5387
	Transfer			05 Jan 2018	3904	186650	0.5502
	Transfer			12 Jan 2018	1350	188000	0.5542
	Transfer			02 Feb 2018	124	188124	0.5546
	Transfer			09 Feb 2018	1422	189546	0.5588
	Transfer			16 Feb 2018	1811	191357	0.5641
	Transfer			23 Feb 2018	1784	193141	0.5694
	Transfer			02 Mar 2018	6831	199972	0.5895
	Transfer			09 Mar 2018	6529	206501	0.6087
	Transfer			16 Mar 2018	4422	210923	0.6218
	Transfer			23 Mar 2018	2713	213636	0.6298
	Transfer			31 Mar 2018	464	214100	0.6311

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year	No. of Shares	Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction		No. of Shares Held	% of Total Shares of The Company
	AT THE END OF THE YEAR					214100	0.6311
10	BOI AXA MID CAP EQUITY AND DEBT FUND						
	Transfer			20 Oct 2017	103265	103265	0.3044
	Transfer			15 Dec 2017	33992	137257	0.4046
	Transfer			09 Feb 2018	50674	187931	0.5540
	AT THE END OF THE YEAR					187931	0.5540
11	PRAMOD CHAND MAHNOT	1000000	2.9479			1000000	2.9479
	Transfer			15 Dec 2017	(820000)	180000	0.5306
	AT THE END OF THE YEAR					180000	0.5306
12	GOKUL VANIJYA PRIVATE LIMITED	125000	0.3685			125000	0.3685
	Transfer			07 Jul 2017	(25000)	100000	0.2948
	Transfer			25 Aug 2017	(25000)	75000	0.2211
	Transfer			08 Sep 2017	(10000)	65000	0.1916
	Transfer			09 Feb 2018	17500	82500	0.2432
	Transfer			16 Feb 2018	7000	89500	0.2638
	Transfer			02 Mar 2018	15000	104500	0.3081
	Transfer			16 Mar 2018	20500	125000	0.3685
	AT THE END OF THE YEAR					125000	0.3685
13	TECK CONSULTANCY AND SERVICES PRIVATE LIMITED	300000	0.8844			300000	0.8844
	Transfer			23 Jun 2017	(300000)		
	Transfer			02 Mar 2018	25721	25721	0.0758
	AT THE END OF THE YEAR					25721	0.0758
14	EDELWEISS BROKING LTD	213517	0.6294			213517	0.6294
	Transfer			07 Apr 2017	194	213711	0.6300
	Transfer			14 Apr 2017	(2237)	211474	0.6234
	Transfer			21 Apr 2017	(245)	211229	0.6227
	Transfer			28 Apr 2017	370	211599	0.6238
	Transfer			05 May 2017	19954	231553	0.6826
	Transfer			12 May 2017	(26746)	204807	0.6037
	Transfer			19 May 2017	7632	212439	0.6262
	Transfer			26 May 2017	(7901)	204538	0.6030
	Transfer			02 Jun 2017	(921)	203617	0.6002
	Transfer			09 Jun 2017	(200557)	3060	0.0090
	Transfer			16 Jun 2017	200396	203456	0.5998
	Transfer			23 Jun 2017	(195946)	7510	0.0221
	Transfer			30 Jun 2017	(5658)	1852	0.0055
	Transfer			07 Jul 2017	1958	3810	0.0112
	Transfer			14 Jul 2017	(1901)	1909	0.0056
	Transfer			21 Jul 2017	185	2094	0.0062
	Transfer			28 Jul 2017	(267)	1827	0.0054
	Transfer			04 Aug 2017	1261	3088	0.0091
	Transfer			11 Aug 2017	4067	7155	0.0211
	Transfer			18 Aug 2017	(3451)	3704	0.0109
	Transfer			25 Aug 2017	24541	28245	0.0833
	Transfer			01 Sep 2017	(25465)	2780	0.0082
	Transfer			08 Sep 2017	2428	5208	0.0154
	Transfer			15 Sep 2017	11140	16348	0.0482
	Transfer			22 Sep 2017	(12721)	3627	0.0107
	Transfer			29 Sep 2017	1336	4963	0.0146
	Transfer			30 Sep 2017	(50)	4913	0.0145
	Transfer			06 Oct 2017	1597	6510	0.0192
	Transfer			13 Oct 2017	(1741)	4769	0.0141
	Transfer			20 Oct 2017	7690	12459	0.0367
	Transfer			27 Oct 2017	3667	16126	0.0475
	Transfer			03 Nov 2017	(4156)	11970	0.0353
	Transfer			10 Nov 2017	(6048)	5922	0.0175
	Transfer			17 Nov 2017	4587	10509	0.0310
	Transfer			24 Nov 2017	(3393)	7116	0.0210



Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year	No. of Shares	Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction		No. of Shares Held	% of Total Shares of The Company
	Transfer			01 Dec 2017	2269	9385	0.0277
	Transfer			08 Dec 2017	(548)	8837	0.0261
	Transfer			15 Dec 2017	1820	10657	0.0314
	Transfer			22 Dec 2017	(126)	10531	0.0310
	Transfer			29 Dec 2017	(2032)	8499	0.0251
	Transfer			05 Jan 2018	(26)	8473	0.0250
	Transfer			12 Jan 2018	2087	10560	0.0311
	Transfer			19 Jan 2018	(1925)	8635	0.0255
	Transfer			26 Jan 2018	5794	14429	0.0425
	Transfer			02 Feb 2018	5622	20051	0.0591
	Transfer			09 Feb 2018	1164	21215	0.0625
	Transfer			16 Feb 2018	(5048)	16167	0.0477
	Transfer			23 Feb 2018	(782)	15385	0.0454
	Transfer			02 Mar 2018	3473	18858	0.0556
	Transfer			09 Mar 2018	(1374)	17484	0.0515
	Transfer			16 Mar 2018	2016	19500	0.0575
	Transfer			23 Mar 2018	(4153)	15347	0.0452
	Transfer			31 Mar 2018	296	15643	0.0461
	AT THE END OF THE YEAR					15643	0.0461
15	RAKESH S KATHOTIA	240000	0.7075			240000	0.7075
	Transfer			01 Sep 2017	(130246)	109754	0.3235
	Transfer			08 Sep 2017	(109754)		
	AT THE END OF THE YEAR						
16	JALSAGAR COMMDEAL PRIVATE LIMITED	190000	0.5601			190000	0.5601
	Transfer			23 Jun 2017	(100000)	90000	0.2653
	Transfer			30 Jun 2017	2500	92500	0.2727
	Transfer			07 Jul 2017	10000	102500	0.3022
	Transfer			14 Jul 2017	5000	107500	0.3169
	Transfer			28 Jul 2017	5000	112500	0.3316
	Transfer			04 Aug 2017	(103788)	8712	0.0257
	Transfer			11 Aug 2017	(8712)		
	Transfer			15 Dec 2017	120000	120000	0.3537
	Transfer			09 Feb 2018	(120000)		
	AT THE END OF THE YEAR						

## v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	Date of Change and No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company

### Directors

1.	Siya Ram						
2.	Ravinder Kumar Sharma						
3.	Jitender						
4.	Lalan Yadav						
5.	Uma Agarwal	344000	1.11			344000	1.01
6.	Ram Chandra Agarwal	719161	2.32			719161	2.12
7.	Akash Agarwal	2488750	8.0483			2488750	7.33

### Key Managerial Personnel

7.	Manshu Tandon						
8.	Umesh Kumar						
9.	Vipin Kaushik						

## VI. INDEBTEDNESS

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

(₹in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-		-	
ii) Interest due but not paid		876.32		876.32
iii) Interest accrued but not due				
Total (i+ii+iii)	-	876.32	-	876.32
<b>Change in Indebtedness during the financial year</b>				
- Addition				
- Reduction		876.32		876.32
<b>Net Change</b>	-	<b>-876.32</b>	-	<b>-876.32</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-		-	-
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹)

Sl. No.	Particulars of Remuneration	Name of Managing Directors and Whole-time Directors			Total
		Mr. Ram Chandra Agarwal	Mr. Akash Agarwal	Mrs. Uma Agarwal	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	18,00,000	60,00,000	1,38,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission				
	-as % of profit -Other, specify				
5	Other, please specify				
	<b>Total (A)</b>	<b>60,00,000</b>	<b>18,00,000</b>	<b>60,00,000</b>	<b>1,38,00,000</b>

### B. Remuneration to other directors:

(₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Siya Ram	Mr. Rohit Singh Rautela*	Ravinder Kumar Sharma	Lalan Yadav	Jitender	
1.	Independent Directors						
	• Sitting Fee for attending board	88,000	8000	96,000	96,000	48,000	336,000
	• committee meetings						
	• Commission						
	• Others,						
	Total(1)	88,000	8000	96,000	96000	48,000	336,000
2.	Other Non-Executive Directors			None			
	• Fee for attending board / committee meetings			N.A.			
	• Commission						
	• Others, please specify						
	Total (2)						
	Total (B)=(1+2)						
	Total Managerial Remuneration						
	Overall Ceiling as per the Act			1% of Net Profits of the Company for all Non-Executive Directors			

\* Mr. Rohit Singh Rautela' has resigned from board w.e.f. May 03, 2017.

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

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Manshu Tandon, CEO	Mr. Umesh Kumar, Company Secretary & Compliance officer	Mr. Vipin Kaushik CFO	
1.	Gross salary	37,29,481	6,89,837	13,77,932	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	ESOP Stock option		11,80,903	9,55,228	
3.	Sweat Equity				
4.	Commission -as % of profit , -Other, specify				
5.	Other, please specify				
	Total (A)	37,29,481	18,70,740	23,33,160	79,33,381

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



## ANNEXURE – IV

### Annual Report on Corporate Social Responsibility (CSR) Activities

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

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

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

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

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

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

Details of Composition of CSR Committee has been mentioned in the Corporate Governance Report which form part of the Director's Report.

Average net profit of the Company for last three financial years – ₹287,832,016

Prescribed CSR expenditure (2% of the amount as in item 3 above) – ₹5,756,640

Details of CSR spent during the financial year 2017-18

- A) Total amount to be spent for the financial year:- ₹5,756,640
- B) Amount unspent, if any for FY 16-17 - ₹2,000,205
- C) Amount unspent, if any for FY 17-18 :- ₹5,756,640

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

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

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

#### RESPONSIBILITY STATEMENT

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

On behalf of the Board

**Ram Chandra Agarwal**  
(Chairman and Managing Director)  
DIN 00491885

Date: 01-09-2018  
Place : New Delhi

## ANNEXURE – V

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

**i. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18**

Sl. No.	Name	Ratio of Median Remuneration
1	Mr. Ram Chandra Agarwal	0.97%
2	Mrs. Uma Agarwal	0.97%
3	Mr. Akash Agarwal	3.25%
4	Mr. Siya Ram	NA
5	Mr. Rohit Singh Rautela*	NA
6	Mr. Ravinder Kumar Sharma	NA
7	Mr. Lalan Yadav	NA
8	Mr. Jitender	NA

\* Mr. Rohit Singh Rautela' has resigned from board w.e.f. May 03, 2017.

**ii. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in Financial Year 2017-18**

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

**iii. Percentage increase in the median remuneration of employees in the financial year: 10%**

**iv. Number of permanent employees on the rolls of Company as on March 31, 2018: 2397**

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

The average increase in salaries of employees other than managerial personnel in Financial Year 2017-18 was 10.50%. Percentage increase in the KMP, other than Directors, managerial remuneration for the year was 10%.

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

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

## Details of Top Employees of the Company in terms of Remuneration Drawn for the Financial Year 2017-18

Sl. No.	Employee Name	Designation	Gross Remuneration paid (₹)	Nature of employment whether contractual or otherwise	Educational Qualifications	Experience (in years)	Date of joining	Previous Employment	% of equity shares held by the employee within the meaning of clause (iii) of sub-rule (2)	Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager
1	Abhishek Khemka	General Manager	3052179	Permanent	Graduate	20 Year	11-07-2016	City Life	-	-
2	Pratik Adukia	Category Head	3384282	Permanent	Graduate	15 Year	09-05-2011	Vishal Retail & VRL	-	-
3	Alok Kumar Shukla	General Manager	2373185	Permanent	MBA	12 Year	01-04-2017	Devyani International	-	-
4	Sunil Kumar	Manager	1385388	Permanent	Graduate	11 Year	01-10-2011	Vishal Retail & VRL	-	-
5	Gaurav Bajaj	General Manager	1560976	Permanent	MBA	21 Year	06-04-2017	Landmark Group	-	-
6	Anshul Chhabra	SR. Manager	1219518	Permanent	MBA	3 Year	20-03-2017	Triend Group	-	-
7	Shakti Prasad Mohanty	Zonal Head	1395476	Permanent	Graduate	16 Year	30-01-2012	Vishal Retail & VRL	-	-
8	Pranav Dilip Mehendarge	Manager	1230890	Permanent	MBA	7 year	16-01-2017	Cap Gemini	-	-
9	Rakesh Chander Joshi	COO	1326212	Permanent	Graduate	25 Year	04-11-2017	Future Retail	-	-
10	Vipin Kaushik	CFO	1377932	Permanent	CA	12 Year	30-05-2017	Onicra Credit Information Pvt Ltd	-	-

## ANNEXURE – VI

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

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

#### **Policy for Appointment and Re-Appointment of Director**

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

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

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

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

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

#### **Remuneration payable to Managing Director and Whole Time Director**

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

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

#### **Remuneration payable to Non-Executive Directors**

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

#### **Evaluation**

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

#### **Amendments**

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



## ANNEXURE – VII

### DIVIDEND DISTRIBUTION POLICY

#### 1. Purpose & Background

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

#### 2. Dividend

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

#### 3. Parameters for declaration of Dividend

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

##### Financial parameters (internal factors)

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

##### External Factor

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

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

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

#### 5. Utilization of retained earnings

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

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

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

#### 7. Review

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

# CORPORATE GOVERNANCE REPORT

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

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

## BOARD OF DIRECTORS

### a. Introduction

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

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

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

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

### b. Composition of the Board

The Company's policy is to maintain an optimal combination of Executive and Non-Executive Directors. As on March 31, 2018, the Board comprised of 7 directors, 3 of them being Executive, 4 being Non Executive Independent Director. The Company has one woman Directors on its Board. The Detailed profile of all the directors is available on the company's website [www.v2retail.com](http://www.v2retail.com). The Company has complied with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 (1) of the SEBI Listing Regulations with respect to the Composition of the Board.

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

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

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

### c. Agenda papers distributed in advance

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

### d. Directors' responsibilities

- i. The principal responsibility of the Board is to oversee the management of the Company and in doing so serve the best interest of the Company and its stakeholders. These include:
  - Reviewing and approving operating, financial

and other corporate plans, strategies and objectives.

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

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

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

## f. Compliance

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

A composite report of statutory compliances of all applicable laws, rules and regulations among others along with the Certificates of Compliance duly signed by the respective heads of Department are placed before the Board on a quarterly basis. The Company has a dedicated team to monitor the compliance system and in turn is responsible for checking and reviewing the reports and preparing the Composite Compliance report. Based on the reports and certificates, a certificate of statutory

compliances duly signed by the Managing Director and the CEO and the CFO is also placed before Board during the year under review.

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

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

## g. Risk management

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

## h. Number of Board meetings and the Directors present therein

The Board of Directors held twelve meetings during the year.

Details of board meetings held during the financial year and the number of Directors present			
Sl. No.	Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
	April 17, 2017	5	5
	May 05, 2017	5	5
	May 30, 2017	5	5
	July 31, 2017	5	5
	August 21, 2017	5	5
	September 12, 2017	5	5
	October 07, 2017	7	7
	October 16, 2017	7	7
	December 11, 2017	7	7
	January 09, 2018	7	7
	February 03, 2018	7	7
	March 30, 2018	7	7

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



**i. Attendance of Directors at Board meetings, last Annual General Meeting, relationship with other Directors and number of Directorships held, Chairmanship or memberships of committees of each Director in various companies as at March 31, 2018.**

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

Sl. No.	Name of Director & DIN	Position	Relationship with other Directors	Date of Joining	Number of Board Meetings attended	Number of Directorship as on March 31 2018 in other company*	Number of Committee positions held**	Attendance at the last AGM
1.	Mr. Ram Chandra Agarwal 00491885	Managing Director & Executive Promoter	Husband of Mrs. Uma Agarwal & Father of Mr. Akash Agarwal	23.07.2001	12	5	1	√
2.	Mrs. Uma Agarwal 00495945	Executive Promoter Director	Wife of Mr. Ram Chandra Agarwal & Mother of Mr. Akash Agarwal	23.07.2001	12	7	1	√
3.	Mr. Akash Agarwal 03194632	Executive Promoter Director	Son of Mr. Ram Chandra Agarwal & Mrs. Uma Agarwal	29.09.2017	6	3		√
4.	Mr. Lalan Yadav 07578390	Independent Director	N.A.	30.09.2016	12	0	3	√
5.	*Mr. Rohit Singh Rautela 05118387	Independent Director	N.A.	14.04.2014	1	0		
6.	Mr. Ravinder Kumar Sharma 06865804	Independent Director	N.A.	14.04.2014	12	1	3	√
7.	Mr. Siya Ram 07350695	Independent Director	N.A.	05.05.2017	11	0	3	√
8.	Mr. Jitender 07905191	Independent Director	N.A.	29.09.2017	6	0		√

\*Mr. Rohit Singh Rautela has resigned from the directorship of the Company with effect from 03rd May, 2017

Other directorships do not include alternate directorships, Section 25/8 companies and companies incorporated outside India.

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

## **j. Information placed before the Board of Directors**

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

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

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

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

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

## **k. Presentation by the management**

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

## **l. Succession plan**

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

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

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

At each of the Board Meeting, Board members are provided presentations containing details about the

Company, Retail Business, business model and stores opening among others.

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

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

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

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

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

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

Web link for familiarisation programmes imparted to independent directors: - [www.v2retail.com](http://www.v2retail.com)

#### **n. Whistleblower/ Vigil mechanism**

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

has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website [www.v2retail.com](http://www.v2retail.com).

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

#### **o. Criteria for selection of Directors**

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

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

#### **p. Terms and conditions for appointment of Independent Directors**

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

#### **q. Board diversity policy**

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

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors,

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

#### **r. Board evaluation policy**

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

#### **s. Post -meeting follow-up mechanism**

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

#### **Code of conduct**

The Company has its code of conduct for all the members of the Board including Independent Directors, Committees and employees working at the level of Heads of Departments. In compliance with SEBI Listing Regulations, 2015 and Companies Act, 2013 the code of conduct suitably lays down the duties of the Independent Director. The said code is displayed on the Company's website, [www.v2retail.com](http://www.v2retail.com). All the Board Members and Employees have affirmed compliance with the said code for the year ended March 31 2018. A declaration signed by the CEO in this regard is annexed at the end of this Report.

#### **Committees of the Board**

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

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

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

#### **1. Audit Committee**

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

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

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

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

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

As on March 31, 2018 the Audit Committee comprises four (4) Directors out of whom three (3) are Independent Directors.

The Audit Committee held 5 (five) meetings during the year on April 17, 2017, May 30, 2017, September 12, 2017, December 11, 2017 and February 3, 2018.

Mr. Lalan Yadav, Chairman of the Committee was duly present in Annual General Meeting held on September 29, 2017.

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

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



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

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

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
Mr. Lalan Yadav	Chairman	Independent Director	5	5
Mr. Rohit Singh Rautela	Member	Independent Director	1	1
*Mr. Siya Ram	Member	Independent Director	4	4
Mr. Ram Chandra Agarwal	Member	Executive Director	5	5
Mr. Ravinder Kumar Sharma	Member	Independent Director	5	5

\* Mr. Siya Ram was appointed as the Member of Audit Committee pursuant to resignation of Mr. Rohit Singh Rautela from the Board of the Company with effect from May 03, 2017.

## 2. Nomination and Remuneration Committee

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

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration and for performance evaluation of Independent Directors. During financial year 2017-18, the Nomination and Remuneration Committee met on 5 times

The Committee comprises three (3) Independent Directors and Mr. Umesh Kumar, Company Secretary and Compliance officer, as its Secretary as on March 31st 2018.

The Committee held 5 (Five) meetings during the year on April 17, 2017, August 21, 2017, October 24, 2017, December 11, 2017, March 30, 2018.

Mr. Lalan Yadav, Chairman of the Committee was duly present at the Annual General Meeting held on September 29, 2017.

The functions of the Committee include:

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

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

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
Mr. Lalan Yadav	Chairman	Independent Director	5	5
Mr. Rohit Singh Rautela	Member	Independent Director	1	1
*Mr. Siya Ram	Member	Independent Director	4	4
Mr. Ravinder Kumar Sharma	Member	Independent Director	5	5

\* Mr. Siya Ram was appointed as the Member of Nomination & Remuneration Committee pursuant to resignation of Mr. Rohit Singh Rautela from the Board of the Company with effect from May 03, 2017.

## REMUNERATION POLICY

### Executive Directors

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

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

### Non-Executive Directors

The Non – Executive/ Independent Director of the Board shall be entitled for sitting fees for attending the meeting of the Board or Committees thereof. The sitting fees paid to the Directors are within the limits prescribed under the Companies Act, 2013. An Independent Director shall not be eligible to get any stock options and also shall not be eligible to participate in any shares based payment schemes of the Company. The Non – Executive Independent Director do not have any material pecuniary relationship or transactions with the Company. Tenure of Independent Directors is for 5 (Five) years from the date of appointment and can be terminated by either party by

giving one month advance notice in writing. There is no separate provision for payment of severance fees.

The aggregate sitting fees paid to Non-Executive Directors for the FY 2017-18 amounted to ₹3.36 lakhs (excluding Service Tax/GST). The Non-Executive Directors are also reimbursed expenses incurred for attending the meeting.

### Performance evaluation criteria for Independent Directors

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

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

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

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

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

(₹)

Particulars	Mr. Lalan Yadav	Mr. Siya Ram	Mr. Ravinder Kumar Sharma	Mr. Rohit Singh Rautela	Mr. Jitender
Sitting fees for the Board Meetings	96,000	88,000	96,000	8,000	48,000
Sitting fees the Committee Meetings	-	-	-	-	-
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total	96,000	88,000	96,000	8,000	48,000

#### • Managing Directors & Executive Directors

During the year, Company has paid remuneration to its Executive Directors by way of salary and perquisites, within the limits stipulated under the Companies Act, 2013 and as per the approval sought from the shareholders of the Company. The details of remuneration paid to the Executive Directors of the Company during the Financial year 2017-18 are as under:

(₹)

Name of the Director	Basic Salary	Contribution to PF	Value of Perquisites	Variable	Total
Mr. Ram Chandra Agarwal	60,00,000	-	-	-	60,00,000
Mrs. Uma Agarwal	60,00,000	-	-	-	60,00,000
Mr. Akash Agarwal	18,00,000	-	-	-	18,00,000

### Service contracts, notice period, severance fees:

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

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

### Shares held by the Non –Executive Directors as on March 31, 2018

Sl. No.	Name of the Director	Category of Director	Number of Shares
1.	Mr. Lalan Yadav	Independent Director	-
2.	Mr. Jitender	Independent Director	-
3.	Mr. Siya Ram	Independent Director	-
4.	Mr. Ravinder Kumar Sharma	Independent Director	-

There is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity other than receipt of sitting fees for the meetings of Board and its Committees and their shareholding, if any, in the Company.

### 3. Stakeholders Relationship Committee

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

The Committee held 6 (Six) meetings during the year on April 17, 2017, May 5 2017, May 30, 2017, August 21, 2017,

October7, 2017 and January 9 2018,

The functions of the committee include:

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

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

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
Mr. Lalan Yadav	Chairman	Independent Director	6	6
Mrs. Uma Agarwal	Member	Independent Director	6	6
* Mr. Siya Ram	Member	Independent Director	5	5
Mr. Ravinder Kumar Sharma	Member	Independent Director	6	6
Mr. Rohit Singh Rautela	Member	Independent Director	1	1

\* Mr. Siya Ram was appointed as the Member of Stakeholder Relationship Committee pursuant to resignation of Mr. Rohit Singh Rautela from the Board of the Company with effect from May 03, 2017.



The Company Secretary is the Compliance Officer as per the SEBI Listing Regulations, 2015. During the year ended March 31, 2018, no complaints were received from shareholders. Details of the complaints received and redressed are given below:

Nature of Complaint	Pending as on 1st April 2017	Received during the Year	Disposed during the year	Pending as on 31st March 2018
Investor Complaints	0	0	0	0

#### 4. Corporate Social Responsibility Committee

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

The committee has held two (2) meetings during the year on April 17, 2017 and March 30, 2018.

The Committee is delegated and empowered to do the following:

- Formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the

CSR activities to be undertaken by the Company as specified in the Companies Act, 2013;

- Recommend the amount of expenditure to be incurred on the CSR activities;
- Monitor the expenses incurred as per the CSR policy of the Company from time to time;
- Any other matters as may be considered expedient by the members in furtherance of and to comply with the CSR policy of the Company.

#### Composition, category of Directors and number of meetings attended:

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
Mr. Siya Ram	Chairman	Independent Director	1	1
Mr. Ram Chand Agarwal	Member	Independent Director	1	1
Mr. Lalan Yadav	Member	Independent Director	2	2
Mr. Ravinder Kumar Sharma	Member	Independent Director	2	2
Mr. Rohit Singh Rautela	Member	Independent Director	1	1

\* Mr. Siya Ram was appointed as the Member and Chairman of Corporate Social Responsibility Committee pursuant to resignation of Mr. Rohit Singh Rautela from the Board of the Company with effect from May 03, 2017.

#### Separate meeting of the Independent Directors

During the year under review, the separate meeting of Independent Director's was held as required under Schedule IV (Code of Independent Directors) of the Companies Act, 2013, and Regulation 25(3) of the Listing Regulations on 30.03.2018 inter alia to:

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

- Develop understanding of Company's people and its key stakeholders.

#### Governance in subsidiary companies

The Company does not have a non-listed subsidiary.

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

## DISCLOSURES

#### a. Related-party transactions

In accordance with relevant provisions of the Companies Act 2013 and SEBI Listing Regulations, 2015 the Company has formulated a policy on materiality of related party transactions and on dealings with related party

transactions. The policy for Transactions with Related Parties can be accessed at: [www.v2retail.com](http://www.v2retail.com)

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

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

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

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

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

There has been no instance of any non compliance.

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

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

The Company did not receive any complaint from any Director and employee pursuant to Vigil Mechanism Policy during the financial year 2017-18.

**d. Policy on determination of materiality for disclosures**

The Company has adopted a policy on determination of materiality for disclosures. The company has complied

with Regulation 23 of SEBI Listing Regulations.

**e. Policy on archival and preservation of documents**

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

**f. Risk management**

The Company has framed a comprehensive enterprise risk management policy and a new risk register, not only to manage risks but also to minimize their impact. This policy is periodically reviewed by the management and the board in consultation with reputed and specialized consultants. The policy is updated as per requirements to ensure that the risks are properly dealt and mitigated. The Risk Management procedures are discussed and reviewed by the Audit Committee and the Board of Directors every quarter.

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

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

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

**h. Audit report for reconciliation of share capital:**

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

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

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

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

#### Declaration pursuant to Code of Conduct:

In terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board has laid down a Code of Conduct for its members and senior management personnel of the Company. The Code of Conduct is available on the website of the Company ([www.v2retail.com](http://www.v2retail.com)). All the Board members and senior

management personnel have affirmed compliance with the Code of Conduct. The Managing Director has affirmed to the Board that this Code of Conduct has been compiled by the Board members and senior management personnel.

#### General shareholders' information

##### Resignation /Appointment of Director

In accordance with provisions of Section 152 of the Act read with Rules made thereunder, Mrs. Uma Agarwal (DIN: 00495945) is liable to retire by rotation at this AGM and being eligible, offer herself for reappointment.

## GENERAL BODY MEETINGS

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

### A) DETAILS OF LAST THREE ANNUAL GENERAL MEETING HELD

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

Financial year	Date	Time	Venue	Special resolution passed if any
2014-15	September 30, 2015	10:00 A.M	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038	<ul style="list-style-type: none"> <li>• Ratification of allotment of convertible warrant to M/s. Bennett Coleman and Company Limited on preferential basis.</li> <li>• Fixation of payment of remuneration to Mr. Ram Chandra Agarwal (DIN: 00491885) as Managing Director of the Company.</li> <li>• Fixation of payment of remuneration to Mrs. Uma Agarwal (DIN: 00495945) as whole time director of the Company.</li> </ul>

## B) DETAILS OF LAST THREE EXTRA ORDINARY GENERAL MEETING HELD

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

### Whether any special resolution passed through postal ballot in the previous year:

During the financial year ended March 31, 2018, the Company has passed following special resolution through Postal Ballot.

- To amend Memorandum of Association of the Company to align it with the Companies Act, 2013; and
- To alter the Object Clause of Memorandum of Association of the Company.

### Procedure for Postal Ballot

In compliance with section 108 and 110 and other applicable provisions of the Companies Act, 2013 read with related Rules, the Company provided electronic – voting (e-voting) facility to all its members. The Company engages the services of CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appears on the register of members as on cut-off date. The postal ballot notice was sent to members through permissible mode. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the name of the members as on cut-off date. Members desirous to exercise their vote by physical postal ballot forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desirous to exercise their vote by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submitted his report to the Chairman, after the completion of the scrutiny and the consolidated



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results of the voting by postal ballot were announced by the Chairman/any other authorized person and aforesaid resolutions were passed with requisite majority. The Results was communicated to the stock exchanges.

**Name of person who conducted the postal ballot exercise:**

The Board of Directors of the Company ("Board") has appointed Mr. Sharwan Kumar Goel of KUMAR SARWAN AND CO, Practicing Chartered Accountant, as the Scrutinizer ("Scrutinizer") for conducting the postal ballot / e-voting process in a fair and transparent manner

**Whether any other special resolution is proposed to be conducted through postal ballot: No**

**Details of resolutions passed through e-voting:**

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

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

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

The Company had requested the shareholders to register their e-mail ids with the Registrar and Share Transfer agents of the Company or to their depository participants so as to enable the Company to use the same for serving documents to them electronically.

**Consolidation of Folios and avoidance of multiple mailing**

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

**Code for prevention of Insider-Trading practices**

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

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

To,  
Members of V2 Retail Limited

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

I, Manshu Tandon, Chief Executive Officer of V2 Retail Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2018.

Date : 31-03-2018  
Place : New Delhi

**Manshu Tandon**  
Chief Executive Officer

#### **Foreign Exchange Risk Management Policy**

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

#### **Dividend Distribution Policy**

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

#### **Means of communication**

##### **i. Quarterly /Annual results**

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

##### **ii. Presentations/News releases**

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

##### **iii. Website**

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

#### **iv. Annual report**

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

#### **v. Designated exclusive mail-id**

The Company has designated email-id exclusive for investor services- investors' [cs@vrl.net.in](mailto:cs@vrl.net.in) which has been displayed on the Company's website [www.v2retail.com](http://www.v2retail.com)

#### **vi. Intimation to stock exchanges**

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

#### **vii. Investor relations**

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

#### **Shareholders' information**

##### **A) Company Registration Details:**

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

##### **B) Financial Year**

April 01, 2017 to March 31, 2018

### C) Annual General Meeting For The Financial Year 2017- 18

<b>DAY AND DATE</b>	Saturday, September 29, 2018
<b>TIME</b>	<b>10:00 A.M</b>
<b>VENUE (Registered Office of the Company)</b>	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi - 110 038
<b>FINANCIAL YEAR</b>	<b>April 01, 2017 to March 31, 2018</b>
<b>BOOK CLOSURE DATES</b>	23rd September, 2018 to 29th September, 2018
<b>DIVIDEND PAYMENT DATE</b>	Within 30 days of declaration of Dividend, if any
<b>REGISTERED OFFICE</b>	Khasra No. 928, Extended Lal Dora Abadi Village Kapashera, Tehsil VasantVihar New Delhi South West Delhi -110037
<b>CORPORATE OFFICE</b>	Khasra No. 928, Extended Lal Dora Abadi Village Kapashera, Tehsil VasantVihar New Delhi South West Delhi -110037

### D) Stock Exchange Info

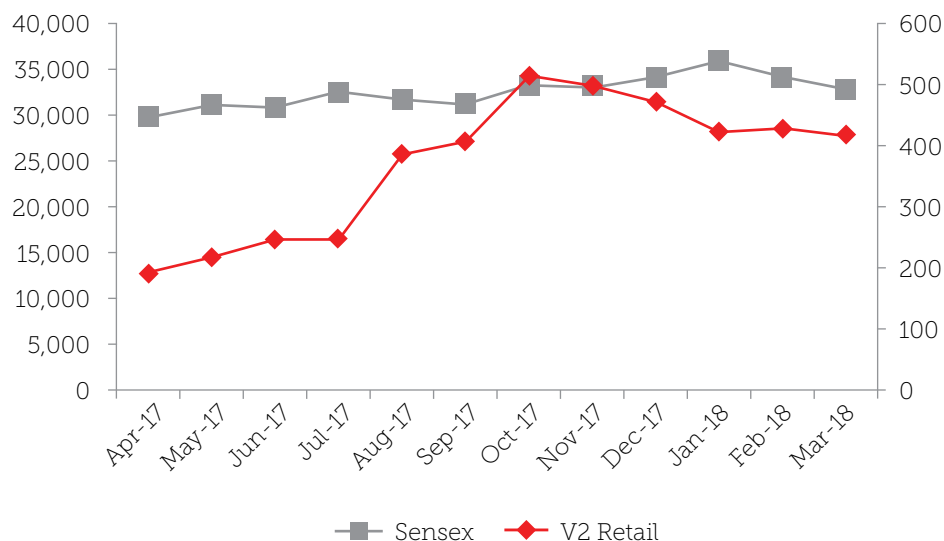
<b>Stock Exchange on which shares are listed</b>	BSE Limited - Mumbai National Stock Exchange of India Limited - Mumbai
<b>Stock Code</b>	BSE Limited : 532867 National Stock Exchange of India Limited : V2RETAIL
<b>Script Id</b>	V2RETAIL

### E) Market Price Data

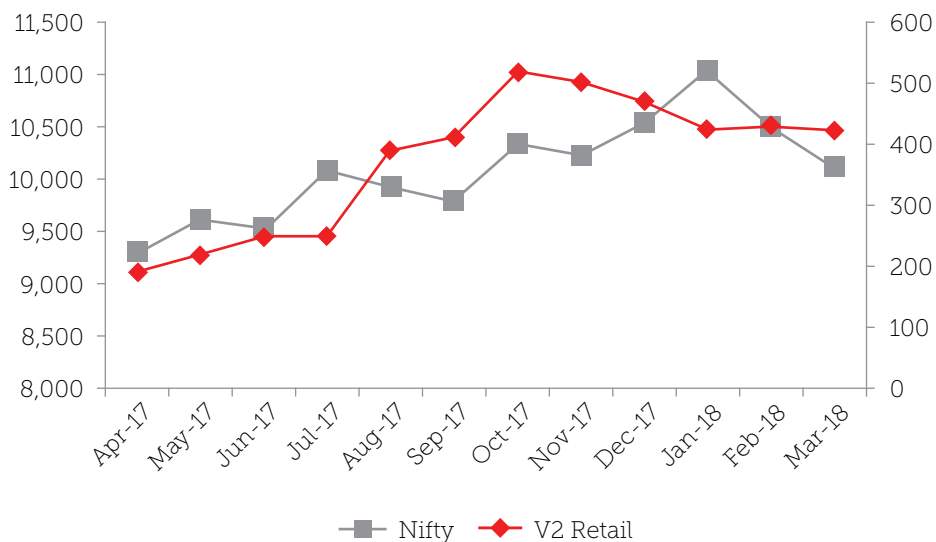
The Company's equity shares are listed on The BSE Limited & National Stock Exchange of India Limited. The high and low share prices and volumes of your Company's shares at BSE and NSE (based on closing price) for the year is as under:

Month	V2 Retail Share Price on BSE			V2 Retail Share Price on NSE		
	High	Low	Close	High	Low	Close
Mar-18	440.00	400.45	417.45	439.90	400.55	418.15
Feb-18	433.05	345.70	428.60	432.00	345.60	429.40
Jan-18	490.05	422.65	422.65	491.50	423.50	423.50
Dec-17	531.15	466.00	470.95	530.95	467.55	468.25
Nov-17	516.40	467.15	499.65	515.90	468.55	500.50
Oct-17	525.65	406.00	514.10	526.65	407.20	513.80
Sep-17	461.45	378.35	407.00	461.25	380.40	407.90
Aug-17	388.80	267.00	386.05	389.85	266.95	387.40
Jul-17	249.25	237.50	247.40	250.85	238.40	248.40
Jun-17	258.50	214.15	246.25	258.40	214.55	247.10
May-17	231.90	183.50	217.60	232.35	183.95	217.20
Apr-17	194.75	181.95	189.85	195.00	182.30	189.40

**Graphical Representation of share price of V2 Retail Limited at BSE vis-à-vis S&P BSE Sensex**



**Graphical Representation of share price of V2 Retail Limited at NSE vis-à-vis Nifty**





#### F) Distribution of Shareholding as on March 31, 2018

No. of Equity Shares	No. of Shareholders	% of total No. of Shareholders	Total Shares	% to total Share Capital
1 to 5000	22220	90.66	1997944	5.89
5001 to 10000	1123	4.58	872882	2.57
10001 to 20000	549	2.24	810103	2.39
20001 to 30000	184	0.75	463235	1.37
30001 to 40000	97	0.40	349574	1.03
40001 to 50000	75	0.31	349996	1.03
50001 to 100000	110	0.45	796865	2.35
100001 to above	153	0.62	28282085	83.37
<b>Total</b>	<b>24509</b>	<b>100.00</b>	<b>33922684</b>	<b>100.00</b>

#### G) SHARE TRANSFER SYSTEM

Transfers of Equity Shares are handled by Link Intime India Private Limited. The transferee is required to furnish transfer deed duly completed in all respects together with share certificate to Link Intime India Private Limited at the above address in order to enable the Registrar and transfer agent to process the transfer and during the FY 17-18 company has complied with the process of transfer and consolidation of the shares.

Demat requests are normally confirmed within 21 days from the date of receipt of request. The Company obtains from a Company Secretary in Practice half yearly Certificate of Compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchange.

#### H) SHAREHOLDING PATTERN AS ON MARCH 31, 2018

Category	Demat Securities	Demat Holders	Physical Securities	Physical Holders	Total Securities	Total Holders	Number of shares	% Issued Capital pledge
Corporate Bodies (Promoter Co)	13716844	4	0	0	13716844	4	11343500	40.44
Clearing Members	125937	153	0	0	125937	153		0.37
Other Bodies Corporate	3759070	374	0	0	3759070	374		11.08
Financial Institutions	59912	1	0	0	59912	1		0.18
Hindu Undivided Family	300982	452	0	0	300982	452		0.89
Mutual Funds	606431	6	0	0	606431	6		1.79
Non Nationalised Banks	1666	1	0	0	1666	1		0.00
Non Resident Indians	152072	273	0	0	152072	273		0.45
Non Resident (Non Repatriable)	108925	121	0	0	108925	121		0.32
Public	8023515	23035	158639	74	8182154	23109		24.12
Promoters	3706911	4	0	0	3706911	4	1033694	10.93
Foreign Portfolio Investors (Corporate)	3201780	11	0	0	3201780	11		9.44
<b>TOTAL</b>	<b>33764045</b>	<b>24435</b>	<b>158639</b>	<b>74</b>	<b>33922684</b>	<b>24509</b>	<b>12377194</b>	<b>100</b>

### I) Dematerialization of Shares and Liquidity

The Equity Shares of your Company are under compulsory dematerialization mode as on March 31, 2018. The ISIN for the Equity Shares of the Company is INE945H01013.

99.53% of shares of the Company are dematerialized as on March 31, 2018. Trading in Equity shares of the Company is permitted only in Demat mode.

The Equity shares of your Company are regularly traded on 31st March 2018.

	BSE	NSE
Total Traded Quantity	8553	117662
Turnover (₹)	3589380	49447411

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

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

### L) Address of Correspondence:

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

### Financial calendar

Financial year: April 1, 2017 to March 31, 2018

The board meetings for approval of financial results for financial year 2017-18 were held on the following dates:

Period	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Date	12.09.2017*	11.12.2017*	03.02.2018	30.05.2018

\*Further company has adopted for IND-AS for the first time from this financial year (i.e. 2017-18) therefore due date for submission of financial results for the quarter ended June 2017 and September 2017 is September 14, 2017 and December 14, 2017 respectively (SEBI circular CIR/CFD/FAC/62/2016 dated July 05, 2016).

The tentative dates of the board meetings for consideration of quarterly and annual financial results for the financial year 2018-19 are as follows:

Period	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Date	On or before August 14, 2018	On or before November 14, 2018	On or before February 14, 2019	On or before May 30, 2019

## Registrar and Share Transfer Agent

Link Intime India Private Limited

(formely known as Intime Spectrum Registry Limited)

C 101, 247 Park, L B S Marg, Vikhroli West,

Mumbai 400083

Tel No: +91 22 49186000 Fax: +91 22 49186060

Email: delhi@linkintime.co.in

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

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

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

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

## Reconciliation of share capital audit report

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

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

## Mandatory requirements

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

## Non-mandatory requirements:

### 1. The Board (maintenance of Chairman's office):

The Company has an Executive Chairman and as such does not require a Non-Executive Chairman's Office.

### 2. Shareholders' rights

The quarterly and half-yearly financial results are published in widely circulated national and local dailies and are displayed on the Company's website [www.v2retail.com](http://www.v2retail.com).

### 3. Audit qualification

Statutory Auditor of the company has given the modified/qualified Auditor Report for the year ended March 31, 2018 and same has been specified in board report along with management response thereon.

### 4. Reporting of internal auditor

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

## CEO/ CFO CERTIFICATION

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

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

- A) I/We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C) I/We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D) I/We have indicated to the Auditor and the Audit committee;
- 1) Significant changes in internal control over financial reporting, if any, during the year;
  - 2) Significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

**Manshu Tandon**  
Chief Executive Officer

**Vipin Kaushik**  
Chief Financial Officer

Date: - May 30, 2018  
Place: - New Delhi



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## **CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

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

We, M/s. Sunpreet Singh & Associates, Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance Report prepared by the V2 Retail Limited ("the Company"), for the year ended on 31 March 2018, it contains details as stipulated in chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations") with respect to Corporate Governance. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### **Management's Responsibility**

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

### **Our Responsibility**

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

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

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

### **Opinion**

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

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

### **For Sunpreet Singh & Associates**

Practicing Company Secretary

### **Sunpreet Singh**

Proprietor

Membership No.: 43116

COP: - 16084

Date: May 30, 2018

Place: New Delhi

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Financial  
Statements

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# Independent Auditor's Report

To the Members of  
**V2 Retail Limited**

## Report on the Financial Statements

1. We have audited the accompanying financial statements of V2 Retail Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters

which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on these financial statements.

## Basis for Qualified Opinion

8. As stated in Note 17 (a) to the financial statements, the Company's other equity as at 31 March 2018 includes an amount of ₹365.36 lakhs in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial statements.
9. As stated in Note 38 (C) & (D) to the financial statements, the Company's contingent liabilities as at

31 March 2018 include an amount of ₹2,542.65 lakhs relating to litigations pending with various authorities, for which the Company's management has not been able to provide necessary details and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts including management's evaluation of likely outcome of such litigations in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the financial statements.

### Qualified Opinion

10. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matter

11. The comparative financial information for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 and 31 March 2016 respectively, prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor whose reports dated 30 May 2017 and 27 May 2016 respectively expressed a qualified opinion on the financial statements for the year ended 31 March 2017 and a qualified opinion on the financial statements for the year ended 31 March 2016, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
  - a) except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the financial statements dealt with by this report are in agreement with the books of account;
  - d) except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;
  - e) the matters described in paragraph 8 and 9 under the Basis for Qualified Opinion paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
  - f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
  - g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 30 May 2018 as per Annexure II expressed a qualified opinion;
  - h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule



11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company, as detailed in Note 38 to the financial statements, has disclosed the impact of pending litigations on its financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank

notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Sumit Mahajan**

Partner

Place: New Delhi

Date: 30 May 2018

Membership No.: 504822

**Annexures to the Independent Auditor's Report of even date to the members of V2 Retail Limited, on the Financial Statements for the year ended 31st March, 2018**

## **Annexure I**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.  
(c) The Company does not hold any immovable property (which are included under the head 'Property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. Material discrepancies noticed on such verification have been properly dealt with in the books of account.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of

excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few

cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	30,208,391	7,500,000	2006-07 to 2010-11	Commissioner of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales tax	5,155,233	Nil	2006-07	Assistant Commissioner of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales tax	10,000,000	Nil	2007-08	Appellate Authority of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales tax	17,353,962	Nil	2007-08	Joint Commissioner (Appeals) of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales tax	1,525,511	Nil	2007-08	Assistant Commissioner of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales tax	6,810,980	Nil	2007-08	Deputy Commissioner of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales tax	8,387,111	Nil	2007-08	Deputy Commissioner of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales tax	50,000	Nil	2009-10	Assistant Commissioner of Service Tax
The Uttar Pradesh Value Added Tax Act, 2008	Sales tax	203,000	Nil	2009-10	Assistant Commissioner of Service Tax
West Bengal Value Added Tax Act, 2003	Sales tax	225,000,000	Nil	2009-10	Deputy Commissioner of Service Tax
The Assam Value Added Tax Act, 2003	Sales tax	720,420	Nil	2009-10	Deputy Commissioner (Appeals)

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has made preferential

allotment of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand. During the year, the Company did not make preferential allotment/private placement of fully/partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Sumit Mahajan**

Partner

Place: New Delhi

Date: 30 May 2018

Membership No.: 504822

## Annexure II

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

1. In conjunction with our audit of the financial statements of V2 Retail Limited ("the Company") as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's IFCoFR as at 31 March 2018:
- a) The Company's internal financial controls over retention of adequate information towards reconciliation of capital reserve in accordance with accounting principles generally accepted in India were not operating effectively, which

could result in a potential material misstatement in Other equity in the Company's financial statements for the year ended 31 March 2018.

- b) The Company's internal financial controls over retention of adequate information towards estimating provisions and contingent liabilities with respect to outstanding litigations were not operating effectively, which could result in an inappropriate assessment of the accuracy and completeness of provisions and contingent liabilities, which is not in accordance with Indian Accounting Standard 37 - Provisions, Contingent Liabilities and Contingent Assets.
9. A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material aspects, adequate internal financial controls over financial reporting as at 31 March 2018, based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as at 31 March 2018.
11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2018, and these material weaknesses have affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

For **Walker Chandniok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Sumit Mahajan**

Partner

Place: New Delhi

Date: 30 May 2018

Membership No.: 504822



# Balance Sheet as at 31 March 2018

(All amounts in ₹ in lakhs unless otherwise stated)

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	6,243.97	5,058.81	2,851.82
Capital work-in-progress	3	65.69	-	-
Intangibles assets	4 a	9.30	22.74	43.78
Intangible assets under development	4 b	594.88	401.98	392.55
Financial assets				
Loans	5	343.74	220.17	138.61
Other financial assets	6	78.50	74.86	67.04
Deferred tax assets(net)	7	475.26	1,961.84	3,227.45
Other non-current assets	8	2,120.88	1,999.17	1,086.13
Income tax assets(net)	9	392.79	349.46	315.92
<b>Total non-current assets</b>		<b>10,325.01</b>	<b>10,089.03</b>	<b>8,123.30</b>
<b>Current assets</b>				
Inventories	10	16,019.07	11,461.52	10,887.64
Financial assets				
Investments	11	8,965.30	-	-
Trade receivables	12	-	0.13	18.58
Cash and cash equivalents	13	476.89	621.55	303.65
Other financial assets	14	61.52	54.11	35.99
Other current assets	15	1,844.37	495.97	671.63
		<b>27,367.15</b>	<b>12,633.28</b>	<b>11,917.49</b>
Assets classified as held for sale		1,243.99	1,243.99	2,141.65
<b>Total current assets</b>		<b>28,611.14</b>	<b>13,877.27</b>	<b>14,059.14</b>
<b>Total assets</b>		<b>38,936.15</b>	<b>23,966.30</b>	<b>22,182.44</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	16	3,392.27	3,092.27	2,488.76
Other equity	17	24,003.68	12,541.75	4,129.51
Money received against share warrants		-	187.50	36.60
<b>Total equity</b>		<b>27,395.95</b>	<b>15,821.52</b>	<b>6,654.87</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Other financial liabilities	18	8.50	8.26	51.47
Provisions	19	121.95	65.32	71.00
Other non-current liabilities	20	208.21	211.61	171.54
<b>Total non-current liabilities</b>		<b>338.66</b>	<b>285.19</b>	<b>294.01</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	21	-	857.44	4,313.17
Trade payables	22	10,031.94	6,514.82	3,946.72
Other financial liabilities	23	277.17	130.50	6,818.34
Provisions	24	65.59	52.37	19.70
Other current liabilities	25	826.84	304.46	135.63
<b>Total current liabilities</b>		<b>11,201.54</b>	<b>7,859.59</b>	<b>15,233.56</b>
<b>Total liabilities</b>		<b>38,936.15</b>	<b>23,966.30</b>	<b>22,182.44</b>

Significant accounting policies

1

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Sumit Mahajan**

Partner

Membership No.: 504822

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

**Ram Chandra Agarwal**

Chairman & Managing Director

DIN 00491885

**Manshu Tandon**

Chief Executive Officer

**Umesh Kumar**

Company Secretary

**Uma Agarwal**

Director

DIN 00495945

**Vipin Kaushik**

Chief Financial Officer

Place: New Delhi

Date: 30 May 2018

## Statement of Profit and Loss for the year ended 31 March 2018

(All amounts in ₹ in lakhs unless otherwise stated)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Revenue</b>			
Revenue from operations	26	55,940.36	47,204.92
Other income	27	325.55	158.83
<b>Total income</b>		<b>56,265.91</b>	<b>47,363.75</b>
<b>Expenses</b>			
Purchase of stock-in-trade	28	42,460.50	33,902.19
Changes in inventories of stock-in-trade	29	(4,557.54)	(573.88)
Employee benefits expense	30	4,846.03	3,337.97
Finance costs	31	57.49	861.39
Depreciation and amortization expenses	32	840.64	614.48
Other expenses	33	8,018.00	6,385.85
<b>Total expenses</b>		<b>51,665.12</b>	<b>44,528.00</b>
Profit before exceptional items and tax		4,600.79	2,835.75
Exceptional items	34	-	2,331.44
<b>Profit before tax</b>		<b>4,600.79</b>	<b>5,167.19</b>
Tax expense	36		
- Current tax		-	-
- Deferred tax		(1,492.59)	(1,264.03)
<b>Total tax expense</b>		<b>(1,492.59)</b>	<b>(1,264.03)</b>
<b>Profit for the year</b>		<b>3,108.20</b>	<b>3,903.16</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of employee benefits (loss)/gain		(17.20)	4.58
Income tax relating to above		6.01	(1.58)
<b>Other comprehensive income for the year</b>		<b>(11.19)</b>	<b>3.00</b>
<b>Total comprehensive income for the year</b>		<b>3,097.01</b>	<b>3,906.16</b>
Significant accounting policies	1		
Earnings per share (face value of ₹ 10 each)			
Basic earnings per share	37	9.62	14.57
Diluted earnings per share		9.62	13.94

The accompanying notes form an integral part of these financial statements  
As per our report of even date attached

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

**Sumit Mahajan**  
Partner  
Membership No.: 504822

Place: New Delhi  
Date: 30 May 2018

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

**Ram Chandra Agarwal**  
Chairman & Managing Director  
DIN 00491885

**Manshu Tandon**  
Chief Executive Officer

**Umesh Kumar**  
Company Secretary

**Uma Agarwal**  
Director  
DIN 00495945

**Vipin Kaushik**  
Chief Financial Officer

## Cash Flow Statement for the year ended 31 March 2018

(All amounts in ₹ in lakhs unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,600.79	2,835.75
<b>Adjustments for:</b>		
Depreciation and amortisation	840.64	614.48
CWIP written off	-	157.42
Gain on fair valuation of mutual funds	(160.30)	-
Interest income	(114.13)	(28.89)
Finance charges	57.49	861.39
Changes in ESOP reserve	329.92	-
Impact of adjusting straight lining of leases	(18.68)	(229.04)
Impact of financial assets at amortised cost	-	10.12
<b>Operating profit before working capital changes</b>	<b>5,535.73</b>	<b>4,221.23</b>
<b>Changes in:</b>		
Trade payables	3,517.12	2,476.96
Provisions	52.64	331.74
Other liabilities	822.28	(5,649.11)
Trade and other receivables	0.13	18.46
Inventories	(4,557.54)	(573.88)
Loans and advances	(123.57)	(843.67)
Other financial assets	(7.42)	(16.37)
Other assets	(1,470.11)	(4.85)
<b>Cash generated from operating activities</b>	<b>3,769.26</b>	<b>(39.49)</b>
Income tax paid (net)	(43.33)	(33.54)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>3,725.93</b>	<b>(73.03)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets and capital creditors	(2,342.96)	(2,967.31)
Increase in CWIP	(65.69)	-
Proceeds from sale of fixed assets	-	1,716.42
Purchase of investments	(8,805.00)	-
Interest received	114.13	28.89
Movement in pledged fixed deposits	(3.64)	(7.82)
<b>Net cash used in investing activities (B)</b>	<b>(11,103.16)</b>	<b>(1,229.82)</b>

## Cash Flow Statement for the year ended 31 March 2018

(All amounts in ₹ in lakhs unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity share capital (net of expenses on issue of shares)	290.00	603.51
Money received against share warrants	-	(661.60)
Change in share premium	7,857.50	4,021.49
Change in capital reserve due to slump sale in previous year	-	442.84
Repayment of borrowings	(857.44)	(1,924.10)
Finance charges	(57.49)	(861.39)
<b>Net cash flow from financing activities (C)</b>	<b>7,232.57</b>	<b>1,620.75</b>
Net increase in cash and cash equivalents (A+B+C)	(144.66)	317.90
Cash and cash equivalents at 1 April	621.55	303.65
<b>Cash and cash equivalents at 31 March</b>	<b>476.89</b>	<b>621.55</b>
<b>Cash and cash equivalents</b>		
Cash in hand	147.60	113.19
CMS receivables	0.20	-
Balance with banks		
On current accounts	329.09	508.36
<b>Total</b>	<b>476.89</b>	<b>621.55</b>

### Explanatory notes to the Statement of Cash flows

- The Company has elected to present cash flows from operating activities using the indirect method. Alternatively, an entity may present operating cash flows using the direct method, disclosing major classes of gross cash receipts and payments related to operating activities.
- The Company has used 'profit or loss' as the starting point for presenting operating cash flows using the indirect method. This is the starting point referred to in Ind AS 7 Statement of Cash Flows.

As per our report of even date attached

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

**Sumit Mahajan**  
Partner  
Membership No.: 504822

Place: New Delhi  
Date: 30 May 2018

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

**Ram Chandra Agarwal**  
Chairman & Managing Director  
DIN 00491885

**Manshu Tandon**  
Chief Executive Officer

**Umesh Kumar**  
Company Secretary

**Uma Agarwal**  
Director  
DIN 00495945

**Vipin Kaushik**  
Chief Financial Officer



## Statement of changes in equity for the year ended 31 March 2018

(All amounts in ₹ in lakhs unless otherwise stated)

### A. Equity Share Capital

Balance as at 1 April 2016	2,488.76
Changes during the year	603.51
Balance as at 31 March 2017	3,092.27
Changes during the year	300.00
Balance as at 31 March 2018	3,392.27

### B. Other Equity

	Attributable to owners of V2 Retail Limited				Other components of equity	Total
	Reserves and Surplus					
	Retained earnings	Securities premium reserve	Capital reserve	Share options outstanding account	Remeasurement of defined benefit obligation	
Balance as at 1 April 2016	(73,606.17)	17,134.96	60,600.72	-	-	4,129.51
Profit for the year	3,903.16	-	-	-	-	3,903.16
Other comprehensive income (net of tax)	-	-	-	-	3.00	3.00
<b>Total comprehensive income for the year</b>	<b>3,903.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.00</b>	<b>3,906.16</b>
Issue of equity shares	-	4,021.49	-	-	-	4,021.49
Changes during the year	-	-	442.84	-	-	442.84
Employee stock option expense	-	-	-	41.75	-	41.75
<b>Balance as at 31 March 2017</b>	<b>(69,703.01)</b>	<b>21,156.45</b>	<b>61,043.56</b>	<b>41.75</b>	<b>3.00</b>	<b>12,541.75</b>
Balance as at 1 April 2017	(69,703.01)	21,156.45	61,043.56	41.75	3.00	12,541.75
Profit for the year	3,108.20	-	-	-	-	3,108.20
Other comprehensive income (net of tax)	-	-	-	-	(11.19)	(11.19)
<b>Total comprehensive income for the year</b>	<b>3,108.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11.19)</b>	<b>3,097.01</b>
Issue of equity shares	-	8,035.00	-	-	-	8,035.00
Employee stock option expense	-	-	-	329.92	-	329.92
<b>Balance as at 31 March 2018</b>	<b>(66,594.81)</b>	<b>21,156.45</b>	<b>61,043.56</b>	<b>41.75</b>	<b>(8.18)</b>	<b>15,638.76</b>

As per our report of even date attached

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

**Sumit Mahajan**  
Partner  
Membership No.: 504822

Place: New Delhi  
Date: 30 May 2018

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

**Ram Chandra Agarwal**  
Chairman & Managing Director  
DIN 00491885

**Manshu Tandon**  
Chief Executive Officer

**Umesh Kumar**  
Company Secretary

**Uma Agarwal**  
Director  
DIN 00495945

**Vipin Kaushik**  
Chief Financial Officer

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### 1. Corporate Information

i) V2 Retail Limited formerly known as Vishal Retail Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company's ethos stands for "value and variety" and remains focused on selling quality fashion garments for significant lower prices targeting the very core of the nation. With currently 49 stores under its umbrella out of which 4 in Delhi-NCR, 13 in Bihar, 13 in Uttar Pradesh, 3 in Odisha, Assam and Jamshedpur, 2 each in Uttarakhand and West Bengal, 1 each in Karnataka, Himachal Pradesh, Arunachal Pradesh, Madhya Pradesh, Jammu and Kashmir and Tripura. It has been successfully serving the Indian retail market for more than 25 years

#### ii) Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ('Ind AS') and comply with requirements of Ind AS, stipulations contained in Schedule III (revised) as applicable under Section 133 of the Act, the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other pronouncements/ provisions of applicable laws. For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Act read together with Rule 7 of the Companies (Accounts) Rules 2014 ('Indian GAAP'). The financial statements for the year ended 31 March 2018 are the first to have been prepared in accordance with Ind AS.

The transition to Ind AS was carried out retrospectively as on the transition date of 01 April 2016. The financial statements contain an opening balance sheet as on 01 April 2016, comparative information for 31 March 2017 presented under Ind AS and reconciliation for key changes for amounts reported under Indian GAAP and Ind AS.

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 (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.
- Assets held for sale – measured at fair value less cost to sell.

The financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Act, unless otherwise stated.

#### iii) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### iv) Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle\*
- Held primarily for the purpose of trading

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

- 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.

\*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### b) Property, Plant and Equipment

#### Recognition and initial measurement

Under the previous GAAP, property plant and equipment were carried in the balance sheet at their cost of purchase less accumulated depreciation and impairment losses (if any). Using the deemed cost exemption available as per Ind AS 101, the Company has elected to carry forward these carrying value of PPE under Indian GAAP as on 31 March 2016 as book value of such assets under Ind AS as at the transition date i.e. 1 April 2016.

#### Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognized as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life which are higher than those prescribed under Schedule II of the Companies Act, 2013. The following useful life of assets has been taken by the Company:

Tangible Assets	Useful Life as per the Schedule II	Useful Life as assessed by the management
Plant and machinery	15 Years	15 Years
Furniture and fittings	10 Years	8 Years
Vehicles	8 Years	8-10 Years
Office Equipment	5 Years	5 Years
Computer Equipment	3 Years	3 Years
Servers and Networking	6 Years	6 Years

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

Tangible Assets	Useful Life as per the Schedule II	Useful Life as assessed by the management
Electrical Equipment & Fittings	10 Years	10 Years
Air conditioners	10 Years	15 Years
Generator sets	15 Years	15 Years

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

### De-recognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

### c) Intangible Assets

Using the deemed cost exemption available as per Ind AS 101, the Company has elected to carry forward the carrying value of intangible assets under Indian GAAP as on 31 March 2016 as book value of such assets under Ind AS as at the transition date i.e. 1 April 2016.

#### Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

#### Subsequent measurement (depreciation and useful lives)

All finite-lived intangible assets are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The following useful lives are applied:

Intangible Assets	Useful life (in years)
Software	Amortized over a period of 3 years

### De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### d) Impairment of non-financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognized in the statement of Profit and Loss.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### e) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

### f) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate (EIR) and other costs like finance charges in respect of the finance leases recognized in accordance with Ind AS 17, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### g) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

#### Foreign Currencies

##### Transactions and balances

##### Initial recognition

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

##### Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

##### Exchange differences

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

### h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### i) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- 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.

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, company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### k) Inventories

The Company has only trading goods in its inventory which is valued at lower of cost and net realizable value. Cost of inventory comprises of cost of purchases and other costs incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### l) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### Sale of goods:

The Company operates a chain of retail stores selling quality fashion garments. Revenue from the sale of goods is recognised when Company sells a product to the customer.

It is the Company's policy to sell its products to the end customer with a right of return within 30 days. Accumulated experience is used to estimate and provide for such returns at the time of sale.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

#### Income from services

Revenues from rent and display activities are recognized as per the terms of the contract.

#### Interest Income:

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

For all Financial Assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

### m) Financial Instruments

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognizes the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognizes that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

#### Financial assets

##### Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

i. **Financial assets at amortized cost** – a financial instrument is measured at amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method.

ii. **Financial assets at fair value**

- **Investments in equity instruments other than above** – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

- **Mutual funds** – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

### De-recognition of financial assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### Financial liabilities

#### Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortized cost using the effective interest method.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortization is included as finance costs in the statement of profit and loss.

#### De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables

### n) Retirement and other employee benefits

#### Defined Contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company makes defined contribution to Government Employee Provident Fund, Employee Deposit Linked Insurance and ESI which are recognized in the statement of profit and loss on accrual basis.

The Company recognizes contributions payable to the provident fund scheme as an expenditure, when an employee renders the related services. The Company has no obligation other than the contribution payable to the Provident Fund. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Defined benefit plans

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### Other Employee Benefits

##### Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

##### Other long-term employee benefits obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

##### Other short-term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

### o) Employee stock option plan

The cost of equity settled share-based plan is recognized based on the fair value of the options as at the grant date.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### p) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

### r) Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### s) Segment reporting

The Company is engaged in the business of retail trade of garments, textiles and accessories in India and there are no separate reportable segments as per Ind AS 108 'Segment Reporting'.

### t) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### v) Significant management judgement in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and that may have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- i. **Useful lives of depreciable/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.
- ii. **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- iii. **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- iv. **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.
- v. **Contingent liabilities** – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Recent accounting pronouncements

#### **Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

#### **Ind AS 115- Revenue from Contract with Customers:**

On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach –  
Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting policies, changes in accounting estimates and errors;
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 2. Property, plant and equipment

(₹ in lakhs)

	Leasehold Land	Vehicle	Office Equipments	Plant & Machinery	Electrical Equipments	Furniture & Fixture	Computer -Hardware	Total
<b>Gross carrying value</b>								
As at 1 April 2016*	46.73	44.71	741.04	55.75	676.11	1,694.99	519.86	3,779.19
Additions	-	7.55	895.62	50.12	792.36	904.21	146.37	2,796.23
Disposals / Regrouping	-	-	-	-	-	-	12.22	12.22
Other adjustments	(9.27)	-	(21.80)	27.36	48.92	(54.78)	9.56	-
<b>As at 31 March 2017</b>	<b>37.46</b>	<b>52.26</b>	<b>1,614.86</b>	<b>133.22</b>	<b>1,517.39</b>	<b>2,544.42</b>	<b>688.02</b>	<b>6,587.64</b>
Additions	-	102.84	414.66	43.01	344.44	766.23	335.02	2,006.20
Disposals	-	-	-	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>37.46</b>	<b>155.10</b>	<b>2,029.52</b>	<b>176.23</b>	<b>1,861.83</b>	<b>3,310.65</b>	<b>1,023.04</b>	<b>8,593.83</b>
<b>Accumulated depreciation</b>								
As at 1 April 2016*	24.53	14.38	126.90	8.56	108.54	422.91	221.55	927.37
Charge for the year	4.47	5.78	81.57	6.88	112.19	259.48	124.35	594.72
Disposals	-	-	-	-	-	-	-	-
Other adjustments	4.45	-	(0.75)	(7.21)	(22.88)	27.81	(8.16)	(6.72)
<b>As at 31 March 2017</b>	<b>24.55</b>	<b>20.16</b>	<b>209.22</b>	<b>22.65</b>	<b>243.61</b>	<b>654.58</b>	<b>354.06</b>	<b>1,528.81</b>
Charge for the year	4.44	16.79	123.60	9.16	157.60	338.60	170.84	821.03
Disposals	-	-	-	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>28.99</b>	<b>36.95</b>	<b>332.81</b>	<b>31.81</b>	<b>401.21</b>	<b>993.19</b>	<b>524.90</b>	<b>2,349.84</b>
<b>Net block as at 1 April 2016*</b>	<b>22.20</b>	<b>30.33</b>	<b>614.14</b>	<b>47.19</b>	<b>567.57</b>	<b>1,272.08</b>	<b>298.31</b>	<b>2,851.82</b>
<b>Net block as at 31 March 2017</b>	<b>12.91</b>	<b>32.10</b>	<b>1,405.65</b>	<b>110.57</b>	<b>1,273.78</b>	<b>1,889.84</b>	<b>333.96</b>	<b>5,058.81</b>
<b>Net block as at 31 March 2018</b>	<b>8.47</b>	<b>118.15</b>	<b>1,696.71</b>	<b>144.42</b>	<b>1,460.62</b>	<b>2,317.46</b>	<b>498.14</b>	<b>6,243.97</b>

\*Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

#### i. Contractual obligations

Refer note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

#### ii. Capitalised borrowing cost

The Company has not capitalised any borrowing costs during the year ended 31 March 2018, 31 March 2017 and 1 April 2016.

### Note 3. Capital work-in-progress

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital work-in-progress	65.69	-	-

#### Movement in capital work in progress:

Particulars	Amount
Capital work-in-progress as at 1 April 2016	-
Add: Additions during the year	-
Capital work-in-progress as at 31 March 2017	-
Capital work-in-progress as at 1 April 2017	-
Add: Additions during the year	65.69
Capital work-in-progress as at 31 March 2018	65.69

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 4.

#### a. Intangible assets

(₹ in lakhs)

	Computer Software
<b>Gross carrying value</b>	
As at 1 April 2016*	119.77
Additions	4.22
Disposals	12.22
<b>As at 31 March 2017</b>	<b>111.77</b>
Additions	6.17
Disposals	-
<b>As at 31 March 2018</b>	<b>117.94</b>
<b>Accumulated amortization</b>	
As at 1 April 2016*	75.99
Amortisation	19.76
Disposals	6.72
<b>As at 31 March 2017</b>	<b>89.03</b>
Amortisation	19.61
Disposals	-
<b>As at 31 March 2018</b>	<b>108.64</b>
<b>Net block as at 1 April 2016*</b>	<b>43.78</b>
<b>Net block as at 31 March 2017</b>	<b>22.74</b>
<b>Net block as at 31 March 2018</b>	<b>9.30</b>

#### b. Intangible assets under development

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Intangible assets under development	594.88	401.98	392.55
	<b>594.88</b>	<b>401.98</b>	<b>392.55</b>

Particulars	Amount
<b>Intangible assets under development as at 1 April 2016</b>	392.55
Add: Additions during the year	9.43
<b>Intangible assets under development as at 31 March 2017</b>	<b>401.98</b>
Intangible assets under development as at 1 April 2017	401.98
Add: Additions during the year	192.90
<b>Intangible assets under development as at 31 March 2018</b>	<b>594.88</b>

\* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 5. Financial Assets - Loans

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Unsecured, considered good (carried at amortised cost)</b>			
Security deposits	343.74	220.17	138.61
	<b>343.74</b>	<b>220.17</b>	<b>138.61</b>

### Note 6. Other financial assets

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fixed deposits having maturity of more than 12 months (held as margin money with banks towards bank guarantees and letter of credits)*	78.50	74.86	67.04
	<b>78.50</b>	<b>74.86</b>	<b>67.04</b>

\*Bank guarantees issued to tax authorities

### Note 7. Deferred tax assets (net)

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Deferred tax asset arising on account of:</b>			
Compulsory convertible debentures (CCD) of TPG Wholesale Private Limited	83.36	137.05	137.05
Security deposits	9.87	9.87	6.37
Provision for employee benefits	102.82	69.76	47.85
Expenses not allowed in Income-tax Act, 1961	47.28	47.28	47.28
Carried forward losses	181.26	1,622.93	3,191.78
Lease equilisation reserve	101.39	97.72	69.53
	<b>525.98</b>	<b>1,984.61</b>	<b>3,499.86</b>
<b>Deferred tax liability arising on account of:</b>			
Property, plant and equipment	50.72	22.77	272.41
	<b>50.72</b>	<b>22.77</b>	<b>272.41</b>
<b>Deferred tax assets</b>	<b>475.26</b>	<b>1,961.84</b>	<b>3,227.45</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Movement in deferred tax assets (net)

(₹ in lakhs)

Particulars	1 April 2016	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2017
<b>Deferred tax assets</b>				
Compulsory convertible debentures (CCD) of TPG Wholesale Private Limited	137.05	-	-	137.05
Security deposits	6.37	3.50		9.87
Provision for employee benefits	47.85	23.49	(1.58)	69.76
Expenses not allowed in Income tax Act, 1961	47.28	-	-	47.28
Carried forward losses	3,191.78	(1,568.85)		1,622.93
Lease equilisation reserve	69.53	28.18	-	97.72
<b>Deferred tax liability arising on account of:</b>				
Property, plant and equipment	272.41	(249.65)	-	22.77
<b>Deferred tax assets</b>	<b>3,227.45</b>	<b>(1,264.03)</b>	<b>(1.58)</b>	<b>1,961.84</b>

(₹ in lakhs)

Particulars	1 April 2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	31 March 2018
<b>Deferred tax assets</b>				
Compulsory convertible debentures (CCD) of TPG Wholesale Private Limited	137.05	(53.69)	-	83.36
Security deposits	9.87	-	-	9.87
Provision for employee benefits	69.76	27.06	6.01	102.82
Expenses not allowed in Income tax Act, 1961	47.28	-	-	47.28
Carried forward losses	1,622.93	(1,441.67)	-	181.26
Lease equilisation reserve	97.72	3.68	-	101.39
<b>Deferred tax liability arising on account of:</b>				
Property, plant and equipment	22.77	27.96	-	50.72
<b>Deferred tax assets</b>	<b>1,961.84</b>	<b>(1,492.58)</b>	<b>6.01</b>	<b>475.27</b>

Refer note 36 for reconciliation of deferred tax balances

### Note 8. Other non-current assets

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid lease rentals	351.38	217.20	119.74
Advance for services	1,585.39	1,625.00	812.50
Advance with service tax department	75.00	75.00	75.00
Advance paid against dispute	109.11	81.97	78.89
	<b>2,120.88</b>	<b>1,999.17</b>	<b>1,086.13</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 9. Income tax assets (net)

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance tax (net of provision of tax)	392.79	349.46	315.92
	<b>392.79</b>	<b>349.46</b>	<b>315.92</b>

### Note 10. Inventories

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Stock-in-trade	16,019.07	11,461.52	10,887.64
	<b>16,019.07</b>	<b>11,461.52</b>	<b>10,887.64</b>

### Note 11. Investments -current

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Investments at fair value through statement of profit and loss (FVTPL)</b>			
Mutual funds*	8,965.30	-	-
	<b>8,965.30</b>	<b>-</b>	<b>-</b>
<b>Aggregate amount of</b>			
Quoted investments	8,965.30	-	-

(₹ in lakhs)

Particulars*	Units as at 31 March 2018	Amount	Amount	Amount
Aditya Birla Sun Life Short Term - Monthly Divided Reinvestment (31 March 2017: Nil; 1 April 2016: Nil)	60,24,718.56	707.50	-	-
Aditya Birla Sun Life Cash Plus - Growth Regular Plan units (31 March 2017: Nil; 1 April 2016: Nil)	73,412.90	204.26	-	-
Aditya Birla Sun Life Floating Rate Fund Short Term Plan - Growth-Regular Plan (31 March 2017: Nil; 1 April 2016: Nil)	1,09,959.23	254.09	-	-
DHFL Pramerica Low Duration Fund- Growth units (31 March 2017: Nil; 1 April 2016: Nil)	10,76,690.51	255.47	-	-
DHFL Pramerica Short Maturity Fund- Growth units (31 March 2017: Nil; 1 April 2016: Nil)	15,99,953.92	509.07	-	-
DSP BlackRock Liquidity Fund - Regular Plan - Growth (31 March 2017: Nil; 1 April 2016: Nil)	10,273.32	254.16	-	-
Edelweiss Ultra Short Term Fund - Regular Plan Growth units (31 March 2017: Nil; 1 April 2016: Nil)	24,612.00	511.00	-	-
Franklin India Low Duration Fund - Growth units (31 March 2017: Nil; 1 April 2016: Nil)	12,82,537.99	256.20	-	-
Franklin India Low Duration Fund - Monthly Dividend Reinvestment (31 March 2017: Nil; 1 April 2016: Nil)	94,79,032.38	1,016.22	-	-
Franklin India Ultra Short Bond Fund - SuperInstitutional Plan (31 March 2017: Nil; 1 April 2016: Nil)	21,29,381.20	512.18	-	-

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(₹ in lakhs)

Particulars*	Units as at 31 March 2018	Amount	Amount	Amount
HDFC Regular Saving Fund- Regular Fund (31 March 2017: Nil; 1 April 2016: Nil)	14,76,415.74	508.39	-	-
HDFC Banking and PSU Debt Fund - Regular Plan- Growth Option (31 March 2017: Nil; 1 April 2016: Nil)	72,10,897.11	1,013.74	-	-
HDFC Liquid Fund - Growth (31 March 2017: Nil; 1 April 2016: Nil)	5,984.68	204.11	-	-
ICICI P1543-Saving Fund - Growth (31 March 2017: Nil; 1 April 2016: Nil)	1,95,875.11	510.08	-	-
IDFC Money Manager Fund - Treasury Plan Growth (31 March 2017: Nil; 1 April 2016: Nil)	18,82,501.77	508.84	-	-
IDFC Ultra Short Term Fund - Growth (31 March 2017: Nil; 1 April 2016: Nil)	20,74,964.31	510.97	-	-
Kotak Low Duration Fund Standard Growth (31 March 2017: Nil; 1 April 2016: Nil)	24,069.38	511.02	-	-
Kotak Low Duration Fund Standard Growth (31 March 2017: Nil; 1 April 2016: Nil)	240.93	5.12	-	-
Reliance Medium term fund Growth Plan- Growth Option (31 March 2017: Nil; 1 April 2016: Nil)	13,95,930.58	508.68	-	-
SBI Premier Liquid Fund - Regular Plan - Growth (31 March 2017: Nil; 1 April 2016: Nil)	7,519.59	204.20	-	-
		<b>8,965.30</b>	-	-

### Note 12. Trade receivables

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured			
- Considered good	-	0.13	18.58
	-	<b>0.13</b>	<b>18.58</b>

(i) No trade or other receivables are due from director or other officers of the Company either severally or jointly with any other person. Further, no loans are due from firms or private companies respectively in which any director is partner, director or a member.

(ii) The carrying values of trade receivables are considered to be a reasonable approximation of fair value.

Refer note 45 on Financial instruments for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

### Note 13. Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash in hand	147.60	113.19	94.38
CMS receivables	0.20	-	-
Balance with banks			
- in current accounts	329.09	508.36	209.27
	<b>476.89</b>	<b>621.55</b>	<b>303.65</b>

(i) There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative years.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 14. Other financial assets - current

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advances recoverable in cash	25.20	25.20	25.20
Credit card receivables	30.64	24.98	8.61
Others	5.68	3.93	2.18
	<b>61.52</b>	<b>54.11</b>	<b>35.99</b>

The carrying values are considered to be a reasonable approximation of fair value.

Refer note 45 on Financial instruments for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses.

### Note 15. Other current assets

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid expenses	2.05	14.34	13.54
Prepaid lease rent	45.85	37.45	22.86
Advance to suppliers	1,078.33	267.25	-
Balance with statutory authorities	680.43	116.85	-
Others	37.71	60.08	635.23
	<b>1,844.37</b>	<b>495.97</b>	<b>671.63</b>

### Note 16. Share capital

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Authorised</b>			
40,000,000 equity shares of ₹10 each (31 March 2017 : 40,000,000 equity shares of ₹10 each; 1 April 2016: 40,000,000 equity shares of ₹10 each)	4,000.00	4,000.00	4,000.00
<b>Issued, subscribed &amp; paid up</b>			
33,922,684 equity shares of ₹10 each (31 March 2017: 30,922,684 equity shares of ₹10 each; 1 April 2016: 24,887,619 equity shares of ₹10 each)	3,392.27	3,092.27	2,488.76
	<b>3,392.27</b>	<b>3,092.27</b>	<b>2,488.76</b>

#### (a) Reconciliation of number of shares

(₹ in lakhs)

	As at 31 March 2018		As at 31 March 2017	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	3,09,22,684	3,092.27	2,48,87,619	2,488.76
Changes during the year	30,00,000	300.00	60,35,065	603.51
Equity shares at the end of the year	<b>3,39,22,684</b>	<b>3,392.27</b>	<b>3,09,22,684</b>	<b>3,092.27</b>

#### (b) Terms/rights attached to equity shares/warrants

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The Board of Directors of the Company has not declared any dividend during the reporting period.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 16. Share capital (Contd.)

During the year ended 31 March 2017, the Company has made preferential allotment of 4,000,000 equity shares @ ₹75 (including share premium @ ₹65 per equity share) each to Promoters and Non-promoter group on 22 November 2016 and the Company has allotted 1,000,000 Convertible warrants @ ₹75 each at Ricon Commodities Private Limited (promoter group) on 22 November 2016. Further, the Company has made allotment of 2,035,065 equity shares @ ₹79.85 (including share premium @ ₹69.85 per equity share) each to Bennett Coleman and Company Limited (BCCL) non-promoter on 7 January 2017 pursuant to conversion of warrants by Bennett Coleman and Company Limited.

During the year ended 31 March 2018, the Company has made allotment of 2,000,000 equity shares @ ₹380 (including share premium @ ₹10 per equity share) each to India 2020 Fund II, Limited non-promoter on 16 October 2017 and the Company has made allotment of 1,000,000 equity shares @ ₹75 (including share premium @ ₹10 per equity share) each to Ricon Commodities Private Limited (promoter group) on 16 October 2017 pursuant to conversion of warrants by Ricon Commodities Private Limited.

#### (c) Details of shareholders holding more than 5% shares in the company

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No of shares	%	No of shares	%	No of shares	%
Unicon Marketing Private Limited	54,44,710	16.05%	54,44,710	17.61%	54,44,710	21.88%
Ricon Commodities Private Limited	69,40,000	20.46%	59,40,000	19.21%	49,40,000	19.85%
Mr. Akash Agarwal	24,88,750	7.34%	24,88,750	8.05%	24,88,750	10.00%
Bennett Coleman and Company Limited	20,35,065	6.00%	20,35,065	6.58%	-	-
India 2020 Fund II, Limited	20,00,000	5.90%	-	-	-	-
	<b>1,89,08,525</b>	<b>55.74%</b>	<b>1,59,08,525</b>	<b>51.45%</b>	<b>1,28,73,460</b>	<b>51.73%</b>

### Note 17. Other equity

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Retained earnings	(66,594.81)	(69,703.01)
Securities premium account	29,191.45	21,156.45
Capital reserve [Refer note (a) below]	<b>61,043.56</b>	<b>61,043.56</b>
ESOP reserve	<b>371.66</b>	<b>41.75</b>
Other comprehensive income		
Remeasurements of the net defined benefit plans	(8.18)	3.00
	<b>24,003.68</b>	<b>12,541.75</b>

#### Nature and purpose of other reserves

##### Securities premium account:

Securities premium account represents premium received on issue of shares. The balance in securities premium account is utilized in accordance with the provisions of the Companies Act, 2013.

##### Capital reserve:

This reserve represents the excess of net assets taken, over the cost of consideration paid at the time of amalgamation done previously. This reserve is not available for the distribution to the shareholders.

##### Share options outstanding amount:

The account is used to recognize the grant date value of options issued to employees under Employee stock option plan.

##### Other comprehensive income (OCI) reserve:

The Company has recognized remeasurements benefits on defined benefits plans through other comprehensive income.

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

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 18. Other financial liabilities- non-current

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits*	8.50	8.26	51.47
	<b>8.50</b>	<b>8.26</b>	<b>51.47</b>

\* The above amount includes security deposits received shop-in-shop vendors.

### Note 19. Non-current provisions

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for gratuity*	70.01	44.95	50.80
Provision for compensated absences*	51.94	20.37	20.20
	<b>121.95</b>	<b>65.32</b>	<b>71.00</b>

\*Refer note 42 on employee benefits

### Note 20. Other non-current liabilities

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Lease equalisation reserve	208.21	211.61	171.54
	<b>208.21</b>	<b>211.61</b>	<b>171.54</b>

### Note 21. Current borrowings

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Unsecured)			
Inter-corporate deposits*	-	857.38	4,309.76
From directors	-	0.06	3.41
	<b>-</b>	<b>857.44</b>	<b>4,313.17</b>

#### \*Inter-corporate deposits (ICD's)

The Company has taken unsecured borrowings from various Companies. These ICD's carry interest rate of 12%- 15% p.a. These deposits are repayable on demand.

Refer note 45 on financial instruments for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

### Note 22. Trade payables

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Dues to micro, small and medium enterprises (refer note 41)	-	-	-
Others	10,031.94	6,514.82	3,946.72
	<b>10,031.94</b>	<b>6,514.82</b>	<b>3,946.72</b>

The carrying values of above are considered to be a reasonable approximation of their fair value.

Refer note 45 on financial instruments for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 23. Other financial liabilities- Current

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturity of long-term borrowings*	-	-	5,442.11
Interest accrued and due on borrowings	-	-	88.83
Money against share warrants	-	-	812.50
Overdrawn current accounts	-	-	162.02
Sundry creditors for fixed assets	268.20	130.50	246.77
Others	8.97	-	66.11
	<b>277.17</b>	<b>130.50</b>	<b>6,818.34</b>

#### \*State Bank of India & Pegasus Assets Reconstruction Private Limited

There is no outstanding loan from State Bank of India, the charges mentioned herein below are to be removed from Ministry of Company Affairs (MCA).

The loan originally taken from HSBC Bank Limited was assigned to Pegasus Assets Reconstruction Private Limited and the term loan was repaid during the financial year ended 31 March 2017.

The Company, vide proposal for settlement of term loan dated 30 June 2016 from Pegasus Assets Reconstruction Private Limited (One of the lenders) had agreed for one time settlement of its loan including interest of ₹4250 lakhs along with interest at 12% per annum on monthly rests to be paid till 30 November 2016.

During the year ended 31 March 2017, the Company has settled the outstanding amount of loan including interest with Pegasus Assets Reconstruction Private Limited and has reversed the excess interest amounting to ₹1,512.69 lakhs (as an exceptional item) in its financial statements.

These loans were secured by first charge in paripassu basis on all the movable and immovable assets of the Company as on the transfer date.

These loans were also secured by way of first paripassu equitable mortgage of property in the name of Vishal Water World Private Limited situated at Kouchapukur, PO Hatgachia, Parganas (West Bengal).

These loans were further secured by way of first paripassu equitable mortgage of property in the name of VRL situated at Krishna Nagar Village, Taluqhubli, District Dharwad.

These loans were further secured by way of first paripassu equitable mortgage of property in the name of VRL situated at PJE Plaza, deg No.77-78, 81, 82, Khasra B No. 655-11-5-12, Mauza-Kyenjara, VIP Road, Kolkata and same including Ground Floor has been sold in lieu of term loan payment of Pegasus Assets Reconstruction Private Limited during the financial year ended 31 March 2017.

These loans were also secured by Personal Guarantee of Mr. Ram Chandra Agarwal and Mrs. Uma Agarwal, Corporate Guarantee of Vishal Water World Private Limited and pledge of 100% of existing promoters shareholding in the Company or 51% of the Company's paid up capital whichever is lower.

Refer note 45 on financial instruments for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

### Note 24. Current provisions

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for gratuity*	37.92	24.40	7.40
Provision for compensated absences*	27.67	27.97	12.30
	<b>65.59</b>	<b>52.37</b>	<b>19.70</b>

\*Refer note 42 on employee benefits

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 25. Other current liabilities

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Other statutory liabilities	171.07	200.59	51.25
Advance received against sale of property	615.00	55.00	55.00
Lease equalisation reserve	40.77	18.68	29.38
Others	-	30.19	-
	<b>826.84</b>	<b>304.46</b>	<b>135.63</b>

### Note 26. Revenue from operations

(₹ in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Sale of product</b>		
Traded goods*	55,768.57	47,062.58
<b>Other operating revenue</b>		
Scrap sales	80.45	79.59
Display income	91.34	62.75
	<b>55,940.36</b>	<b>47,204.92</b>
<b>* Details of sale of traded goods</b>		
Apparels	53,901.07	45,599.21
Non-apparels	1,787.05	1,383.78
Others	80.45	79.59
	<b>55,768.57</b>	<b>47,062.58</b>

### Note 27. Other income

(₹ in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest on		
security deposits	30.44	23.21
bank deposits	83.69	5.68
Rental income	-	128.00
Gain on fair valuation of mutual funds	160.30	-
Net gain on sale of non-current investments (refer point a)	22.42	-
Miscellaneous income (refer point b)	28.70	1.94
	<b>325.55</b>	<b>158.83</b>

- The Company has sold its investment properties and recorded profit of ₹818.75 lakhs as gain on sale of non-current investments.
- During the year ended 31 March 2017, the Company settled the outstanding amount of loan including the interest with Pegasus Assets Reconstruction Private Limited and has reversed the interest liability

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 28. Purchase of stock-in-trade

(₹ in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Purchase of traded goods (refer point a)	42,460.50	33,902.19
	<b>42,460.50</b>	<b>33,902.19</b>
<b>a. Details of purchase of stock-in-trade</b>		
Apparels	39,949.45	32,799.99
Non-Apparels	2,511.05	1,102.20
	<b>42,460.50</b>	<b>33,902.19</b>

### Note 29. Changes in inventories of stock-in-trade

(₹ in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Traded goods</b>		
Closing stock (refer point a)	16,019.07	11,461.53
Opening stock	11,461.53	10,887.65
	<b>(4,557.54)</b>	<b>(573.88)</b>
<b>a. Details of closing stock</b>		
Apparels	15,002.58	11,088.90
Non-Apparels	1,016.49	372.63
	<b>16,019.07</b>	<b>11,461.53</b>

### Note 30. Employee benefit expense

(₹ in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages & bonus	3,868.31	2,858.67
Directors' remuneration	138.00	84.00
Gratuity expenses	46.72	17.62
Contribution to provident fund and others	286.04	229.35
Staff welfare expenses	177.04	106.58
Share based payment expenses	329.92	41.75
	<b>4,846.03</b>	<b>3,337.97</b>

\*Refer note 42 on employee benefits

### Note 31. Finance cost

(₹ in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest on:		
Term loans	-	513.04
Unsecured loans	55.85	344.42
Working capital loans	1.64	3.93
	<b>57.49</b>	<b>861.39</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 32. Depreciation & amortization expense

(₹ in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation on tangible fixed assets	821.03	594.72
Amortization of intangible assets	19.61	19.76
	<b>840.64</b>	<b>614.48</b>

### Note 33. Other expenses

(₹ in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Power and fuel expenses	1,282.52	932.62
Rent	2,881.28	2,268.15
Repairs and maintenance		
- Building	50.21	30.84
- Plant and machinery	0.61	3.17
- Others	202.15	131.10
Insurance charges	22.49	9.87
Rates and taxes	72.61	86.76
Cash pick-up charges	-	0.74
Bank charges	100.46	55.36
Legal and professional fees	222.47	151.74
Motor vehicle expenses	6.90	23.50
Printing and stationery	76.47	43.07
Security service charges	176.93	107.33
Housekeeping expenses	92.75	51.90
Telephone expenses	50.72	53.17
Travelling and conveyance	213.06	142.10
Other expenses	18.50	40.99
Postage and couriers expenses	7.53	1.01
Payment to auditors (refer Note a below)	21.65	12.65
Directors' sitting fee	3.47	3.31
Credit cards charges	106.62	90.45
E-Commerce expenses	-	157.42
Advertisement & sales promotion	917.82	797.22
Commission charges	0.59	1.53
Transportation charges	883.02	669.38
Packing materials expenses	607.17	520.47
	<b>8,018.00</b>	<b>6,385.85</b>
<b>a. Auditors' remuneration</b>		
Statutory audit (including fees for limited reviews)	20.14	12.65
Out of pocket expenses	1.52	-
	<b>21.65</b>	<b>12.65</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 34. Exceptional items

(₹ in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Gain on sale of non-current investments*	-	818.75
Liabilities written back **	-	1,512.69
	-	<b>2,331.44</b>

\*An amount of ₹818.75 lakhs towards profit on sale of property.

\*\*₹1,512.69 lakhs interest written back towards one time settlement of interest bearing loan @ 12% p.a. instead of earlier agreed rate of 16% per annum.

### Note 35. CSR Expenditure

For recognition, measurement, presentation and disclosure of expenditure on activities related to CSR activities, the company has adopted the prescribed under Guidance note on "Accounting for expenditure on CSR activities". Issue by ICAI on 15th May 2015. The said guidance note clearly states that no provision for the amount which is not spent for the purpose of CSR (i) in case there is shortfall in spending on CSR activities below the prescribed threshold) is required to be made in the books of accounts (except where the company has incurred a contractual liability in such regard).

Details of expenditure incurred in relation to CSR activities during the year:

(₹ in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Average net profit of the Company for last three financial years	2,035.64	1,000.10
Prescribed CSR expenditure	40.71	20.00
<b>Details of CSR spent during the financial year:</b>		
Total amount to be spent for the financial year	40.71	20.00
Amount unspent, if any	40.71	20.00

### Note 36. Tax expense

(₹ in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>The income tax expense consists of the following:</b>		
Current tax expense for the current year	-	-
Deferred tax expense	(1,492.59)	(1,264.03)
	<b>(1,492.59)</b>	<b>(1,264.03)</b>

The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the statement of profit and loss is as follows:

Profit before income taxes	4,600.79	5,167.19
Statutory income tax rate of 34.608% (31 March 2017: 34.608%)	34.608%	34.608%
Expected income tax expense	1,592.24	1,788.26
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Depreciation as per chart u/s 32	(53.29)	(25.98)
Provision for lease equalisation reserve	25.77	38.35
Donation	-	0.99

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 36. Tax expense (Contd.)

(₹ in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Disallowable under section 43B	146.26	3.86
Profit on sale of land	-	(277.87)
Brought forward business loss set off	(3,095.71)	(3,025.56)
Rental income	(75.27)	(40.80)
Compulsory convertible debentures (CCD)	(53.69)	-
Depreciation as per Chart u/s 32	-	249.65
Provision for employee benefits	33.07	21.90
Others	(11.97)	3.17
<b>Total</b>	<b>(1,492.59)</b>	<b>(1,264.03)</b>
<b>Unused tax losses</b>		
<b>Business losses brought/carried forward</b>	<b>Year of expiry</b>	
2010-2011 (27/09/2010)	2018-19	-
		13,745.01
2012-2013 (28/09/2012)	2020-21	851.70
		851.70
2013-2014 (30/09/2013)	2021-22	520.74
		520.74
	<b>1,372.44</b>	<b>15,117.46</b>
<b>Potential tax benefit</b>	<b>479.59</b>	<b>5,231.85</b>
<b>Short-term gain losses brought/carried forward</b>		
2011-2012 (28/09/2011)	1,803.12	1,803.12
	<b>1,803.12</b>	<b>1,803.12</b>
<b>Potential tax benefit</b>	<b>630.08</b>	<b>624.02</b>
<b>Long-term gain losses brought/carried forward</b>		
2012-2013 (28/09/2012)	185.61	185.61
2016-2017	1,127.49	1,127.49
	<b>1,313.10</b>	<b>1,313.10</b>
<b>Potential tax benefit</b>	<b>458.85</b>	<b>390.20</b>
<b>Unabsorbed depreciation brought/carried forward</b>		
2010-2011 (27/09/2010)	-	3,234.50
2012-2013 (28/09/2012)	292.19	292.19
2013-2014 (30/09/2013)	117.69	117.69
	409.88	3,644.38
<b>Potential tax benefit</b>	<b>143.23</b>	<b>1,261.25</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 37. Earnings per share

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit attributable to equity shareholders before extraordinary items (₹ in lakhs)	3,108.20	3,903.16
Profit attributable to equity shareholders after extraordinary items (₹ in lakhs)	3,108.20	3,903.16
Nominal value per share	10.00	10.00
<b>II. Weighted-average number of ordinary shares (basic)</b>		
Numbers of weighted average equity share outstanding at the opening	3,09,22,684.00	2,48,87,619.00
Issued ordinary shares at 16 October 2017 (March 2017: at 1 April 2016)	13,72,602.75	18,93,001.00
Numbers of weighted average equity share outstanding at the year end	3,22,95,286.75	2,67,80,620.00
<b>Weighted-average number of ordinary shares (diluted)</b>		
Category A 7 January 2017	1.51	1.62
Category B 7 January 2017	0.55	0.64
Category C 24 October 2017	0.06	-
Category D 24 October 2017	0.25	-
<b>Total ESOP's granted</b>	<b>2.36</b>	<b>2.26</b>
Average price of the share for the FY 17-18 (₹)	364.07	105.73
Face Value (₹)	10.00	10.00
Exercise price (₹)	10.00	10.00
Diluted shares (₹)	0.065	12.26
Basic EPS before extraordinary items for the period (₹)	9.62	14.57
Diluted EPS before extraordinary items for the period (₹)	9.62	13.94
Basic EPS after extraordinary items for the period (₹)	9.62	14.57
Diluted EPS after extraordinary items for the period (₹)	9.62	13.94

#### \*Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

### Note 38. Contingencies and commitments

(₹ in lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>(A) Contingent liabilities</b>		
i. Claims against the Company not acknowledged as debt (refer note (C) below)	2,025.37	1,509.35
ii. Dispute under sales tax law (matters under appeal) (refer note (D) below)	517.28	2,745.56
iii. Dispute under service tax law (matters under appeal) (refer note (E) below)	-	302.08
iv. Bonus as per the Payment of Bonus (Amendment) Act, 2015 (refer note (F) below)	-	-
	<b>2,542.65</b>	<b>4,556.99</b>
<b>(B) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advance on tangible assets	3,149.96	361.83

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 38. Contingencies and commitments (Contd.)

- (C) The Company has certain cases/disputes aggregating to ₹2,025.37 lakhs involving customers, vendors and ex-employees. Whilst the impact of these litigations on these financial statements can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial statements.
- (D) The Company has certain litigations related to Sales tax and Values added tax (VAT) pending under Rajasthan Value Added Tax Act, 2003 aggregating to ₹492.83 lakhs and The Uttar Pradesh Value Added Tax Act, 2008 aggregating to ₹24.45 lakhs. Whilst the impact of these litigations on these financial statements can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial statements.
- (E) The Company has one litigation related to Service tax pending under Finance Act, 1994 aggregating to ₹302.08 lakhs. Whilst the impact of these litigations on these financial statements can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial statements.

### Note 39. Segment information

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Company has determined that the Company is engaged in the business of retail trade of garments, textiles and accessories in India and there are no separate reportable segments as per Ind AS 108.

### Note 40. Leases

Company as lessee:

#### Operating Lease:

The Company has taken premises for showroom for 12 to 15 years lease/license period with lock in period of one to three year. The escalation clause is variable per between 12% to 15% after every three years and the company generally takes three month rent free time from the date of possession given by the lessor. There are no restrictions imposed on the Company under the lease arrangement.

The total of minimum future lease payments under non-cancellable operating lease is as under: (₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Lease payments for the year recognised in the Statement of Profit and Loss	2,881.28	2,268.15
<b>Minimum lease payments:</b>		
Not later than one year	2,746.36	2,881.28
Later than one year but not later than five years	9,979.97	13,216.75
Later than five years	7,158.39	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 41. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

	For the year ended 31 March 2018	For the year ended 31 March 2017
i) Principal amount due to suppliers under MSMED Act	-	-
ii) Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
iii) Payment made to suppliers (other than interest) beyond appointed day during the year	-	-
iv) Interest paid to suppliers under MSMED Act	-	-
v) 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.	-	-
vi) Interest due and payable to suppliers under MSMED Act towards payments already made	-	-
vii) Interest accrued and remaining unpaid at the end of the accounting year	-	-
viii) 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.	-	-

### Note 42. Employee benefit obligations

(₹ in lakhs)

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Gratuity	37.92	70.01	24.40	44.95	7.40	50.80
Compensated absences	27.67	51.94	27.97	20.37	12.30	20.20
<b>Total</b>	<b>65.60</b>	<b>121.96</b>	<b>52.37</b>	<b>65.31</b>	<b>19.70</b>	<b>71.00</b>

#### A Gratuity

The Company operates gratuity plan where in every employee is entitled to benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vests after five years of continuous service. Gratuity benefits valued were in accordance with the payment of Gratuity Act, 1972.

#### Disclosure of gratuity

##### (i) Amount recognised in the statement of profit and loss is as under:

(₹ in lakhs)

Description	31 March 2018	31 March 2017
Current service cost	25.01	17.72
Interest cost	4.51	4.48
<b>Amount recognised in the statement of profit and loss</b>	<b>29.52</b>	<b>22.20</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 42. Employee benefit obligations (Contd.)

(ii) Movement in the liability recognised in the balance sheet is as under: (₹ in lakhs)

Description	31 March 2018	31 March 2017
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>69.35</b>	<b>58.20</b>
Current service cost	25.01	17.72
Interest cost	4.51	4.48
Actuarial loss/(gain) recognised during the year	17.20	(4.58)
Benefits paid	(8.13)	(6.48)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>107.94</b>	<b>69.35</b>

(iii) Breakup of actuarial (gain)/loss: (₹ in lakhs)

Description	31 March 2018	31 March 2017
Actuarial (gain)/loss on arising from change in demographic assumption	-	(25.36)
Actuarial (gain)/loss on arising from change in financial assumption	(0.69)	2.43
Actuarial (gain)/loss on arising from experience adjustment	17.88	18.36
<b>Total actuarial (gain)/loss</b>	<b>17.20</b>	<b>(4.58)</b>

(iv) Actuarial assumptions

Description	31 March 2018	31 March 2017
Discount rate	6.84%	6.50%
Retirement age	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
Attrition at ages:		
- Upto 30 years	50.00%	50.00%
- From 31 to 44 years	50.00%	50.00%
- Above 44 years	50.00%	50.00%
Rate of increase in compensation	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(v) Sensitivity analysis for gratuity liability (₹ in lakhs)

Description	31 March 2018	31 March 2017
<b>Impact of the change in discount rate</b>		
<b>Present value of obligation at the end of the year</b>	<b>107.94</b>	<b>69.35</b>
- Impact due to increase of 0.50 %	(1.04)	(0.67)
- Impact due to decrease of 0.50 %	1.07	0.69
<b>Impact of the change in salary increase</b>		
<b>Present value of obligation at the end of the year</b>	<b>107.94</b>	<b>69.35</b>
- Impact due to increase of 0.50 %	1.03	0.66
- Impact due to decrease of 0.50 %	(1.02)	(0.65)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

### (vi) Maturity profile of defined benefit obligation (undiscounted)

(₹ in lakhs)

Description	31 March 2018	31 March 2017
Within next 12 months	37.92	24.40
Between 2-5 years	56.09	33.02
Beyond 5 years	13.92	11.93

#### Notes:

- 1 The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- 2 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

### Note 43. Share based payment

On 7 January 2017 the Company granted 256,578 Employee Stock Options (ESOP) as per the scheme approved by "Nomination and Remuneration Committee" of the Board of Directors, at an exercise price of ₹10 per option with graded vesting. Out of which 9,815 ESOP have been forfeited subsequently during the year ended 31 March 2017. The graded options can be exercised after vesting at any time before the expiry of 3 months before vesting period.

During the year ended 31 March 2018, the Company has granted 25,596 (net of ESOP lapsed during the year) employee stock options ("ESOP") as per scheme approved by "Nomination and Remuneration Committee", at an exercise price of ₹10 per option. Further, out of 246,763 ESOP outstanding as at the beginning of the year, the Company has forfeited 44,650 ESOP. Total outstanding ESOP at the year ended 31 March 2018 are 227,709. The vesting period of the ESOP is ranging from 15 months to 36 months. The granted options can be exercised after vesting at any time before the expiry of 3 months from vesting date. An amount of ₹329.92 lakhs has been recorded for the year ended 31 March 2018 as employee benefits expense, as the proportionate cost of ESOP granted.

The Company provides share-based payment scheme to its employees. During the year ended 31 March 2017, an Employee Stock Option Plan was introduced. The relevant details of the scheme and the grant as below, In the Annual General Meeting held on 30 September 2016, the Board of Directors ("Board") has approved the V2 R-Employee Stock Option Scheme 2016 ('ESOP 2016') and grant of options to the eligible employee of the company under the Scheme. The Details of the scheme are as below:

#### (a) Employee stock option scheme

Description	Tranche -I SAR	Tranche-II SAR	Tranche-III SAR	Tranche-IV SAR
No. of Options	1,51,334	50,779	5,660	19,936
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Date	7 April 2018	6 January 2020	6 January 2020	23 October 2020
Grant Date	7 January 2017	7 January 2017	17 April 2017	24 October 2017
Exercise price per share (₹)	10	10	10	10
Market price on the date of granting of option (₹)	121.85	121.85	183.4	521.1
Method of settlement	Cash	Cash	Cash	Cash

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 43. Share based payment (Contd.)

#### (b) Movement of Option Granted

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Number of options	Weighted average price (₹)	Number of options	Weighted average price (₹)
Options Outstanding at the beginning of the year	2,46,763	237.74	-	-
Granted during the year (net of lapsed)	25,596	459.85	2,56,578	121.85
Exercised during the year	-	-	-	-
Forfeited during the year	44,650	237.74	9,815	121.85
Options Outstanding during the year	2,27,709	262.71	2,46,763	121.85
Options Unvested at the end of the year	-	-	2,46,763	121.85
Option Exercisable at the end of the year	-	-	-	-

#### c) Fair Valuation:

The fair valuation of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The key assumption and fair value are as under:

Particulars	Tranche - I SAR	Tranche-II SAR	Tranche-III SAR	Tranche-IV SAR
Risk free Interest Rate (%)	6.25	6.25	6.25	6.00
Life (Years)	0.51	2.26	2.26	3.06
Expected Volatility (%)*	43.61	57.35	57.35	60.44
Expected Dividend Yield (%)	-	-	-	-
Weighted average Fair Value Per Option (₹)	237.74	237.74	459.57	459.93

Expected volatility of the Company's stock price is based on the Company's comparable peer Company's stock price on NSE based on the price data of the last three years upto the date of grant as the Company has been listed only for a few months prior to the date of grants.

### Note 44. Related party disclosures

#### (a) Directors

Mr. Ram Chandra Agarwal (Chairman and Managing Director)

Mrs. Uma Agarwal (Director)

Mr. Akash Agarwal (Director)

Mr. Jitender Yadav (Non-executive director)

Mr. Lalan Yadav (Non-executive director)

Mr. Ravinder Kumar Sharma (Non-executive director)

Mr. Rohit Singh Rautela (Non-executive director)

Mr. Sourabh Kumar (Non-executive director)

Mr. Siya Ram (Non-executive director)

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

### Note 44. Related party disclosures (Contd.)

#### (b) Key managerial personnel

Mr. Manshu Tandon (Chief Executive Officer w.e.f 16 Oct 2017)  
Mr. Umesh Kumar (Company Secretary and Compliance Officer)  
Mr. Vipin Kaushik (Chief Financial Officer) w.e.f. 30 May 2017  
Mr. Varun Kumar Singh (Chief Financial Officer) till 23 May 2017

#### (c) Companies in which Key Management Personnel or their relatives have control or significant influence

Unicon Marketing Private Limited  
Ricon Commodities Private Limited  
V2 Conglomerate Private Limited  
Vishal Water World Private Limited

#### (d) Summary of transactions with related parties:

(₹ in lakhs)

S. No.	Particulars	31 March 2018	31 March 2017	1 April 2016
<b>1</b>	<b>Loans repaid</b>			
	Mr. Ram Chandra Agarwal	-	2.00	-
	Mrs. Uma Agarwal	-	1.36	-
	Ricon Commodities Private Limited	-	2,469.05	-
	Vishal Water World Private Limited	386.00	2,171.50	-
	V2 Conglomerate Limited	1,213.50	4,322.60	-
<b>2</b>	<b>Loans accepted</b>			
	Ricon Commodities Private Limited	-	1,205.24	-
	Vishal Water World Private Limited	386.00	1,175.78	-
	V2 Conglomerate Limited	1,213.50	3,522.37	-
<b>3</b>	<b>Interest paid on loans taken</b>			
	V2 Conglomerate Limited	4.80	-	-
	Vishal Water World Private Limited	3.31	-	-
<b>4</b>	<b>Remuneration</b>			
	Mr. Ram Chandra Agarwal	60.00	42.00	-
	Mrs. Uma Agarwal	60.00	42.00	-
	Mr. Akash Agarwal	27.75	18.06	-
	a) Salary	9.75		
	b) Director Remuneration	18.00		
	Mr. Manshu Tandon	37.29	17.94	-
	Mr. Varun Kumar Singh	1.71	10.21	-
	Mr Vipin Kaushik	23.33*	-	-
	Mr. Umesh Kumar	18.70*	11.49*	-
<b>5</b>	<b>Sitting fees#</b>			
	Mr. Jitender Yadav	0.48	-	-
	Mr. Lalan Yadav	0.92	0.55	-
	Mr. Ravinder Kumar Sharma	0.92	1.10	1.18
	Mr. Rohit Singh Rautela	0.28	1.10	1.18
	Mr. Sourabh Kumar	-	0.55	1.18
	Mr. Siya Ram	0.80	-	-

\*including ESOP

#inclusive of Taxes



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 45. Fair value disclosures

#### i) Financial instruments by category

(₹ in lakhs)

Particulars	31 March 2018			31 March 2017			1 April 2016		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
<b>Financial assets</b>									
Investments	-	8,965.30	-	-	-	-	-	-	-
Security deposits	-	-	343.74	-	-	220.17	-	-	138.61
Trade receivables	-	-	-	-	-	0.13	-	-	18.58
Cash and cash equivalents	-	-	476.89	-	-	621.55	-	-	303.65
Other financial assets	-	-	140.02	-	-	128.97	-	-	103.03
<b>Total</b>	<b>-</b>	<b>8,965.30</b>	<b>960.66</b>	<b>-</b>	<b>-</b>	<b>970.82</b>	<b>-</b>	<b>-</b>	<b>563.87</b>
<b>Financial liabilities</b>									
Borrowings	-	-	-	-	-	857.44	-	-	9,844.11
Trade payable	-	-	10,031.94	-	-	6,514.82	-	-	3,946.72
Other financial liabilities	-	-	285.67	-	-	138.76	-	-	1,338.87
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10,317.61</b>	<b>-</b>	<b>-</b>	<b>7,511.02</b>	<b>-</b>	<b>-</b>	<b>15,129.69</b>

#### ii) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lakhs)

31 March 2018	Notes	Level 1	Level 2	Level 3	Total
<b>Investments at FVTPL</b>					
Mutual funds	11	8,965.30	-	-	8,965.30
<b>Total financial assets</b>		<b>8,965.30</b>	<b>-</b>	<b>-</b>	<b>8,965.30</b>
31 March 2017	Notes	Level 1	Level 2	Level 3	Total
<b>Investments at FVTPL</b>					
Mutual funds	11	-	-	-	-
<b>Total financial assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1 April 2016	Notes	Level 1	Level 2	Level 3	Total
<b>Investments at FVTPL</b>					
Mutual funds	-	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 45. Fair value disclosures (Contd.)

#### Valuation process and technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

#### (iii) Fair value of instruments measured at amortised cost

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, bank overdrafts, Interest accrued on bank deposits with banks, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of loans, borrowings and other financial assets and liabilities are considered to be the same as their fair values, as there is an immaterial change in the lending rates.

### Note 46. Financial risk management

#### i) Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Recognised variable rate financial liabilities denominated in Indian rupee (INR)	Cash flow forecasting	Company is in the process of reducing the debt component to reduce the interest rate risk
Market risk - security price	Investments in mutual funds	Sensitivity analysis	Company presently make investments in high rated mutual funds

#### A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 46. Financial risk management (Contd.)

#### a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

(₹ in lakhs)

Credit rating	Particulars	31 March 2018	31 March 2017	1 April 2016
A: Low	Loans	343.74	220.17	138.61
	Other financial assets	140.02	128.97	103.03
	Cash and cash equivalents	476.89	621.55	303.65
	Trade receivables	-	0.13	18.58

#### *Cash & cash equivalents and bank deposits*

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

#### *Trade receivables*

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

#### *Other financial assets measured at amortised cost*

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

#### b) Expected credit losses

##### *Trade receivables*

The Company's trade receivables does not have any expected credit loss as the Company sells products once the entire payment is received. During the periods presented, the Company made no write-offs of trade receivables and no recoveries from receivables previously written off.

##### *Other financial assets measured at amortised cost*

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provides for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 46. Financial risk management (Contd.)

#### B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

#### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity of Company based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in lakhs)

31 March 2018	Less than 1 year	1-3 year	More than 3 years	Total
Security deposit received	-	8.50	-	8.50
Trade payable	10,031.94	-	-	10,031.94
Other financial liabilities	277.17	-	-	277.17
<b>Total</b>	<b>10,309.11</b>	<b>8.50</b>	<b>-</b>	<b>10,317.61</b>

31 March 2017	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	857.44	-	-	857.44
Security deposit received	-	8.26	-	8.26
Trade payable	6,514.82	-	-	6,514.82
Other financial liabilities	130.50	-	-	130.50
<b>Total</b>	<b>7,502.76</b>	<b>8.26</b>	<b>-</b>	<b>7,511.02</b>

1 April 2016	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	9,844.11	-	-	9,844.11
Security deposit received	-	51.47	-	51.47
Trade payable	3,946.72	-	-	3,946.72
Other financial liabilities	1,287.40	-	-	1,287.40
<b>Total</b>	<b>15,078.22</b>	<b>51.47</b>	<b>-</b>	<b>15,129.69</b>

#### C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 46. Financial risk management (Contd.)

#### b) Interest rate risk

##### i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2018, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

##### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk: (₹ in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Variable rate borrowing	-	857.44	9,844.12
Fixed rate borrowing	-	-	-
<b>Total borrowings</b>	<b>-</b>	<b>857.44</b>	<b>9,844.12</b>

##### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings. In case of fixed rate borrowings a change in interest rates at the reporting date would not affect profit or loss.

(₹ in lakhs)

Particulars	Effect on profit after tax	
	31 March 2018	31 March 2017
<b>Total borrowings</b>		
- Impact due to increase of 50 basis points*	-	(2.80)
- Impact due to decrease of 50 basis points*	-	2.80

\* Holding all other variables constant

##### ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### c) Price risk

##### Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

##### Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period :

##### Impact on profit before tax

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
<b>Mutual funds</b>	<b>8,965.30</b>	<b>-</b>
Net assets value – increase by 100 bps (100bps)	89.65	-
Net assets value – decrease by 100 bps (100bps)	(89.65)	-



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 47: Capital management

The Company's capital management objectives are

- to safeguard their ability to continue as a going concern
- to maintain an optimal capital structure to reduce the cost of capital

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's adjusted net debt to equity ratio at 31 March 2018 was as follows.

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Total borrowings	-	857.44	4,313.17
Less: cash and cash equivalents	476.89	621.55	303.65
<b>Net debt</b>	<b>(476.89)</b>	<b>235.88</b>	<b>4,009.52</b>
Total equity	27,395.95	15,821.52	6,654.87
<b>Adjusted net debt to adjusted equity ratio</b>	<b>(0.02)</b>	<b>0.01</b>	<b>0.60</b>

### Note 48. First time adoption of Ind AS

#### Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Ind AS optional exemptions

##### 1 Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their Previous GAAP carrying value.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 48. First time adoption of Ind AS (Contd.)

#### 2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at Fair value through Statement of Profit and Loss on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

#### 3 Share based payments

Ind AS 102 Share based payments requires an entity to recognise the equity settled share based payment plans based on fair value of the stock options granted to employees instead of intrinsic value. Ind AS 101 permits a first time adopter to ignore such requirement for the options already vested as on transition date that is 1 April 2016. The Company has elected to apply this exemptions for such vested options.

#### 4 Assets held for sale

The company has elected to measure non-current assets held for sale at the lower of carrying value and fair value less cost to sell at the date of transition and recognize directly in retained earnings any difference between that amount and the carrying amount of those assets at the date of transition.

### B. Ind AS mandatory exceptions

#### 1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- a) Investment in equity instruments carried at Fair value through Statement of Profit and Loss or Fair value through Other Comprehensive Income
- b) Impairment of financial assets based on expected credit loss model"

#### 2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

#### 3 Impairment of financial assets

At the date of transition to Ind AS, determine whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 48. First time adoption of Ind AS (Contd.)

#### C. Reconciliations between previous GAAP and Ind AS

- 1 Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(₹ in lakhs)

Description	Note	Previous GAAP	Ind AS Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		2,851.82	-	2,851.82
Capital work-in-progress		-	-	-
Intangibles assets		43.78	-	43.78
Intangible assets under development		392.55	-	392.55
<b>Financial assets</b>				
Investments	6	396.00	(396.00)	-
Loans	1	299.62	(161.02)	138.61
Other financial assets		67.04	-	67.04
Deferred tax assets (net)	7	25,443.20	(22,215.75)	3,227.45
Other non-current assets	1	966.39	119.74	1,086.13
Income tax assets (net)		315.92	-	315.92
<b>Total non-current assets</b>		<b>30,776.30</b>	<b>(22,653.02)</b>	<b>8,123.29</b>
<b>Current assets</b>				
Inventories		10,887.64	-	10,887.64
<b>Financial assets</b>				
Trade receivables		18.58	-	18.58
Cash and cash equivalents		303.65	-	303.65
Other financial assets		35.99	-	35.99
Other current assets	1	735.23	(63.60)	671.63
		<b>11,981.10</b>	<b>(63.60)</b>	<b>11,917.49</b>
Assets classified as held for sale	2	2,141.65	0.00	2,141.65
<b>Total current assets</b>		<b>14,122.75</b>	<b>(63.60)</b>	<b>14,059.14</b>
<b>Total assets</b>		<b>44,899.05</b>	<b>(22,716.61)</b>	<b>22,182.44</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		2,488.76	-	2,488.76
Other equity	5,7 & 8	26,264.18	(22,134.67)	4,129.51
Money received against share warrants		849.10	(812.50)	36.60
<b>Total equity</b>		<b>29,602.04</b>	<b>(22,947.17)</b>	<b>6,654.87</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Other financial liabilities		51.47	-	51.47
<b>Provisions</b>	4	904.02	(833.02)	71.00
Other non-current liabilities	4	-	171.54	171.54
<b>Total non-current liabilities</b>		<b>955.49</b>	<b>(661.48)</b>	<b>294.01</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 48. First time adoption of Ind AS (Contd.)

(₹ in lakhs)

Description	Note	Previous GAAP	Ind AS Adjustments	Ind AS
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		4,313.18	(0.01)	4,313.17
Trade payables		3,744.52	202.20	3,946.72
Other financial liabilities		6,214.35	603.99	6,818.34
Provisions		19.70	-	19.70
Other current liabilities	4	49.78	85.85	135.63
<b>Total current liabilities</b>		<b>14,341.52</b>	<b>892.04</b>	<b>15,233.56</b>
<b>Total liabilities</b>		<b>44,899.05</b>	<b>(22,716.61)</b>	<b>22,182.44</b>

### 2 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at 31 March 2017 is as follows:

(₹ in lakhs)

Description	Note	Previous GAAP	Ind AS Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		5,058.81	-	5,058.81
Capital work-in-progress			-	-
Intangibles assets		22.74	-	22.74
Intangible assets under development		401.98	-	401.98
Financial assets		-		
Investments	6	396.00	(396.00)	-
Loans	1	503.35	(283.18)	220.17
Other financial assets		74.86	-	74.86
Deferred tax assets(net)	7	24,273.18	(22,311.34)	1,961.84
Other non-current assets	1 & 5	1,781.97	217.20	1,999.17
Income tax assets(net)		349.46	-	349.46
<b>Total non-current assets</b>		<b>32,862.36</b>	<b>(22,773.32)</b>	<b>10,089.03</b>
<b>Current assets</b>				
Inventories		11,461.52	-	11,461.52
Financial assets				
Trade receivables		0.13	-	0.13
Cash and cash equivalents		621.55	-	621.55
Other financial assets		54.11	-	54.11
Other current assets	1	595.13	(99.16)	495.97
		<b>12,732.44</b>	<b>(99.16)</b>	<b>12,633.28</b>
Assets classified as held for sale	2	1,186.69	57.30	1,243.99
<b>Total current assets</b>		<b>13,919.13</b>	<b>(41.86)</b>	<b>13,877.27</b>
<b>Total assets</b>		<b>46,781.49</b>	<b>(22,815.19)</b>	<b>23,966.30</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 48. First time adoption of Ind AS (Contd.)

(₹ in lakhs)

Description	Note	Previous GAAP	Ind AS Adjustments	Ind AS
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		3,092.27	-	3,092.27
Other equity	5, 7 & 8	34,495.79	(21,954.04)	12,541.75
c) Money received against share warrants		187.50	-	187.50
<b>Total equity</b>		<b>37,775.56</b>	<b>(21,954.04)</b>	<b>15,821.52</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Other financial liabilities		8.26	-	8.26
Provisions	4	1,156.76	(1,091.44)	65.32
Other non-current liabilities	4	-	211.61	211.61
<b>Total non-current liabilities</b>		<b>1,165.02</b>	<b>(879.83)</b>	<b>285.19</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		857.44	-	857.44
Trade payables		6,514.82	-	6,514.82
Other financial liabilities	4	130.50	-	130.50
Other current liabilities		285.78	18.68	304.46
Provisions		52.37	-	52.37
<b>Total current liabilities</b>		<b>7,840.91</b>	<b>18.68</b>	<b>7,859.59</b>
<b>Total liabilities</b>		<b>46,781.49</b>	<b>(22,815.19)</b>	<b>23,966.30</b>

### 3 Reconciliation of the revenue and expenses presented in the statement of profit and loss prepared as per Previous GAAP and as per Ind AS as at 31 March 2017 is as follows:

(₹ in lakhs)

Description	Note	Previous GAAP	Ind AS Adjustments	Ind AS
<b>Revenue</b>				
Revenue from operations		47,142.17	62.75	47,204.92
Other income	1 & 8	2,529.81	(2,370.98)	158.83
<b>Total income</b>		<b>49,671.98</b>	<b>(2,308.23)</b>	<b>47,363.75</b>
<b>Expenses</b>				
Purchase of stock-in-trade		33,902.19	-	33,902.19
Changes in inventories of stock-in-trade		(573.88)	-	(573.88)
Employee benefits expense	3 & 8	3,333.40	4.58	3,337.97
Finance costs		861.39	-	861.39
Depreciation and amortization expenses	2	671.77	(57.30)	614.48
Other expenses	1	6,581.57	(195.72)	6,385.85
<b>Total expenses</b>		<b>44,776.44</b>	<b>(248.44)</b>	<b>44,528.00</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 48. First time adoption of Ind AS (Contd.)

(₹ in lakhs)

Description	Note	Previous GAAP	Ind AS Adjustments	Ind AS
Profit before exceptional items and tax		4,895.54	(2,059.79)	2,835.75
Exceptional items		2,331.44	-	2,331.44
<b>Profit before tax</b>		<b>7,226.98</b>	<b>(2,059.79)</b>	<b>5,167.19</b>
<b>Tax expense</b>				
- Current tax			-	-
- Deferred tax	7	(1,170.02)	(94.01)	(1,264.03)
<b>Total tax expense</b>		<b>1,170.02</b>	<b>94.01</b>	<b>1,264.03</b>
<b>Profit for the year</b>		<b>6,056.96</b>	<b>(2,153.80)</b>	<b>3,903.16</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit or loss				
Re-measurement of employee benefits (loss)/gain	8	-	4.58	4.58
Income tax relating to above	8	-	(1.58)	(1.58)
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>3.00</b>	<b>3.00</b>
<b>Total comprehensive income for the year</b>		<b>6,056.96</b>	<b>(2,150.80)</b>	<b>3,906.16</b>

### 4 Reconciliation of total equity as at 31 March 2017 and 1 April 2016

(₹ in lakhs)

Description	Notes to first time adoption	31 March 2017	1 April 2016
<b>Total equity (shareholder's funds) as per previous GAAP</b>		37,733.82	29,602.04
<b>Adjustments:</b>			
Impact of adjusting straight lining of leases	4	861.15	632.10
Impact of financial assets at amortised cost	1 & 8	(28.53)	(18.41)
Impact of reversal of depreciation on properties held for sale	2	57.30	-
Reversal of Deferred Tax	7	(22,189.27)	(22,187.69)
Other adjustments	5	(532.62)	(532.62)
Reclassification of ESOP reserve to other equity	3	41.75	(812.50)
Tax impact of above adjustments	7	(122.08)	(28.06)
<b>Total equity as per Ind AS</b>		<b>15,821.52</b>	<b>6,654.87</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 48. First time adoption of Ind AS (Contd.)

#### 5 Reconciliation of total comprehensive income for the year ended 31 March 2017 (₹ in lakhs)

Description	Note	31 March 2017
As per previous GAAP for 1 April 2016		3,725.52
<b>Adjustments:</b>		
Impact of adjusting straight lining of leases	4	229.04
Impact of financial assets at amortised cost	1	(10.12)
Impact of reversal of depreciation on properties held for sale	2	57.30
Others	5	(4.58)
Tax impact of above adjustments	7	(94.01)
<b>Net Profit after Tax (before other comprehensive income) as per IND-AS</b>		<b>3,903.16</b>
Other Comprehensive Income (net of tax)	8	3.00
<b>Total Comprehensive Income</b>		<b>3,906.16</b>

#### Note 1:

##### Security deposit

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

#### Note 2:

##### Asset held for sale

Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations requires disposal assets to be identified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Ind AS 105 lays down detailed guidelines and criteria in this regard. Based on the assessment performed by the management, it has been determined that the freehold land and buildings-HUBLI should be presented as held for sale under Ind AS. Consequently, the asset held for sale have been presented separately from the other assets in the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

#### Note 3:

##### Employee stock option expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. There is no impact on total equity.

#### Note 4:

##### Reversal of lease equalization reserve

Under Previous GAAP, operating lease rentals were straight lined over the lease period. Under Ind AS, if the payments by the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost, lease reserve should not be booked. Consequent to this change, the amount of retained earnings has been decreased. Also under Ind AS, Rent free period is straight-lined over the lease term as the same is considered as incentive.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### Note 48. First time adoption of Ind AS (Contd.)

#### Note 5:

##### Vat recoverable

Vat recoverable is written off of ₹136.62 lakhs to retained earnings on transition date as it is considered non-recoverable.

#### Note 6:

##### Investment in debentures

Under Previous GAAP, investments in compulsory convertible debentures of TPG Wholesale Private Limited was the part of investments which is classified to retained earnings in Ind AS on the transition date.

#### Note 7:

##### Deferred tax

Under Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

#### Note 8:

##### Other comprehensive income

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Also as the company never recognised provision in respect of employee benefits under the previous GAAP, the company accordingly has recognised the amount of provisions in respect of gratuity and leave encashment.

#### Note 9:

##### Retained earnings

Retained earnings as at 1 April 2016 and 31 March 2017 has been adjusted consequent to the above Ind AS transition adjustments.

##### Statement of cash flows

The transition from previous GAAP to Ind AS has not had a material impact on the Statement of cash flows.

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

**Sumit Mahajan**  
Partner  
Membership No.: 504822

Place: New Delhi  
Date: 30 May 2018

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

**Ram Chandra Agarwal**  
Chairman & Managing Director  
DIN 00491885

**Manshu Tandon**  
Chief Executive Officer

**Umesh Kumar**  
Company Secretary

**Uma Agarwal**  
Director  
DIN 00495945

**Vipin Kaushik**  
Chief Financial Officer

**ATTENDANCE SLIP**

**V2 RETAIL LIMITED**

Regd. Office: Khasra No. 928, Extended Lal Dora Abadi, Village Kapashera,  
Tehsil Vasant Vihar, New Delhi, South West Delhi – 110037, Phone: 011-41771850

E-mail: cs@vrl.net.in, Website: www.v2retail.com

CIN -L74999DL2001PLC147724

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING.

DP ID – Client ID* / Folio No.:	
Name of Member:	
Name of Proxy holder:	
No. of Share(s) held:	

I hereby record my presence at the **17<sup>th</sup> ANNUAL GENERAL MEETING** of V2 Retail Limited held on Saturday, September 29, 2018 at Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi-110038

.....  
Signature of Shareholder / Proxy

Notes:

1. Members / Proxy-holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.
2. Members are requested to bring their copy of Annual Report for reference at the Meeting.

\*Applicable for investors holding shares in electronic form.







## Proxy Form

### Form MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

#### V2 RETAIL LIMITED

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

#### 17th Annual General Meeting on Saturday, September 29, 2018 at 10.00 A.M

Name of the member(s):	E-mail Id:
Registered Address:	DP Id - Client Id*/ Folio No

I/We, being the member(s) of ..... shares of V2 Retail Limited, hereby appoint:

- 1) Name: ..... Address: .....  
E-mail id: ..... Signature: .....  
or failing him
- 2) Name: ..... Address: .....  
E-mail id: ..... Signature: .....  
or failing him
- 3) Name: ..... Address: .....  
E-mail id: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company, to be held on Saturday, September 29, 2018 at 10.00 a.m. at Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi-110038 and any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

S. No.	Resolutions	For	Against
1.	Adoption of Audited Financial Statements along with the Report of the Board of Directors and Auditors for the financial year ended March 31, 2018		
2.	To appoint a director in place of Mrs. Uma Agarwal (DIN: 00495945), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.		
3.	Ratification of Appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as Statutory Auditors of the Company from Conclusion of this AGM to Next AGM		

\* Applicable for investors holding shares in electronic form.

Signed this ..... day of ....., 2018

.....  
Signature of Shareholder / Proxy



Affix  
Revenue  
Stamp of  
₹1/-

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**NOTES:**

1. This proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person of shareholder.
4. \*\* This is only optional. Please put a `X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.





# Corporate Information

## Chairman & Managing Director

Mr. Ram Chandra Agarwal

## Chief Executive Officer

Mr. Manshu Tandon

## Chief Financial Officer

Mr. Vipin Kaushik

## Company Secretary & Compliance Officer

Mr. Umesh Kumar

## Directors

Mrs. Uma Agarwal  
(Whole Time Director)

Mr. Akash Agarwal  
(Whole Time Director)

Mr. Lalan Yadav  
(Independent Director)

Mr. Ravinder Kumar Sharma  
(Independent Director)

Mr. Siya Ram  
(Independent Director)

Mr. Jitender  
(Independent Director)

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## Board Committees

### Audit Committee

Mr. Lalan Yadav, Chairman

Mr. Siya Ram

Mr. Ram Chandra Agarwal

Mr. Ravinder Kumar Sharma

### Nomination and Remuneration Committee

Mr. Lalan Yadav, Chairman

Mr. Siya Ram

Mr. Ravinder Kumar Sharma

### Stakeholders Relationship Committee

Mr. Lalan Yadav, Chairman

Mrs. Uma Agarwal

Mr. Siya Ram

Mr. Ravinder Kumar Sharma

### Corporate Social Responsibility Committee

Mr. Siya Ram, Chairman

Mr. Ram Chandra Agarwal

Mr. Lalan Yadav

Mr. Ravinder Kumar Sharma

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## Statutory Auditors

Walker Chandio & Co LLP  
Chartered Accountants

## Registrar & Transfer Agent

Link Intime India Private Limited  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400 083  
Tel : +91 22 49186000 Fax: +91 22 49186060  
Email:delhi@linkintime.co.in

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## Registered & Corporate Office

Khasra No. 928, Extended Lal Dora Abadi,  
Village - Kapashera, Tehsil -Vasant Vihar,  
New Delhi 110 037  
Tel : +91 11 41771850  
E-mail: cs@vrl.net.in

## Warehouse / Distribution Centre

Village Mubarikpur, Farrukh Nagar,  
Gurgaon-122506

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**Website:** [www.v2retail.com](http://www.v2retail.com)

**CIN:** L74999DL2001PLC147724





**Registered & Corporate Office**

Khasra No. 928, Extended Lal Dora Abadi,  
Village - Kapashera, Tehsil -Vasant Vihar,  
New Delhi 110 037  
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E-mail: [cs@vrl.net.in](mailto:cs@vrl.net.in)

