

FOCUSSING ON THE NEXT REAL BHARAT

V2 Retail Limited | Annual Report 2019-20



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Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically, 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects' believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

FOCUSSING ON THE NEXT REAL BHARAT

There is a significant transformation underway in India's retail sector. Consumers are turning increasingly to omnichannel engagements with retailers. As a result, online modes are beginning to coexist with brick-and-mortar stores in driving off take. Suddenly, it is not offline or online; the new order of the day is offline and online.

V2 Retail is not only well prepared to embrace the new but is also taking the lead in the transformation of the Indian value retailing landscape

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

We are offering a choice that addresses the aspirational needs of Bharat's consumers.

Our focus continues to accelerate our universe of Private brands.

V2 Retail is shifting the needle from quality products to holistically superior experiences.

V2 Retail is attractively positioned to capitalise on the omni-channel opportunity.

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



We believe in being agile. Our performance is reflection of our agility to embrace the changing trends and as well as innovate at V2 Retail.

<p>Consumers V2 Retail addressed the growing needs of the 'neo middle-class' and 'middle-class' population segments, marked by rising incomes, aspirations and spending. The Company is respected as a price-leader with an average selling price of ₹ 279 and average bill value per customer of ₹ 743.</p>	<p>Sighting the new normal V2 Retail strengthen its Omni-channel capabilities and improved its cost efficiency. The Company had also launched its e-commerce portal V2 Kart (www.v2kart.com) during the lockdown.</p>
<p>Debt Free Most retail companies grew their business through a combination of debt and accruals. V2 Retail retained its Net Cash Positive status and grew its business through net worth alone.</p>	<p>Cost Control We have also initiated a number of measures to keep our fixed cost under control like rental renegotiations, engaging with suppliers, control over variable cost.</p>
<p>Semi-urban and rural Most retail chains focused on developed markets with presence of organised retail. V2 Retail focused on the taking organised retail to the real Bharat - semi-urban and Tier 2 / 3 cities instead</p>	<p>Technology driven Most retail chain invested in technologies as a back end tool for record keeping and storage. V2 Retail leverage technology to deliver superior consumer experience and enabling efficient operation management.</p>
<p>Focus on private label Most retail chains focused on a trading operation – outsourcing and retailing. V2 Retail focused on enhancing the brand recall value by marketing proprietary labels alongside increasing consumer overall shopping experience.</p>	<p>One-stop destination The Company's product range addresses the fashion aspirations of Bharat. The fashion desires of young and the old Bharat, the 'neo middle-class' and 'middle-class' Families.</p>



There has been
one result of our
agile approach:
**Increasing our overall
competitiveness**

Revenue Growth

319.9	701.2
₹cr, revenues in 2015-16	₹cr, revenues in 2019-20

EBIDTA

31.4	76.0
₹cr, EBIDTA in 2015-16	₹cr, EBIDTA in 2019-20

Retail Space

2.62	8.4
Lakh sq ft, retail space in 2015-16	Lakh sq ft, retail space in 2019-20

Stores

22	76
Number of stores in 2015-16	Number of stores in 2019-20

States

8	17
Number of states of presence in 2015-16	Number of states of presence 2019-20



V2 Retail

Focusing on the Bharat consumption opportunity. An opportunity to make fashion accessible to possibly the largest under-consumed population cluster in the world with rapid income growth.

About us	Promoters
V2 Retail is one of the fastest growing retail company in India and enjoys strong brand equity from customers across segments. The company offers a portfolio of products, including apparel and life style products. V2 stands for 'Value and Variety' it sells good quality fashion garments at affordable prices, which suits every individual and household. The Company has a Strong presence in Northern & Eastern India. The Company caters to the neo middle class group of population living in Tier 2 and Tier 3 cities.	<p>The Company is promoted by Mr. Ram Chandra Agarwal, possessing more than 30 years of entrepreneurial experience. He is the pioneer in value retailing and brought this concept in India. He has been the Chairman and the Managing Director of the Company since July 2011.</p> <p>Mr. Akash Agarwal is Whole time Director & CFO of the Company. He has more than 7 years of experience in retail industry.</p>
Stores presence	New initiative
As on March 31, 2020, the Company operates 76 stores spread across 17 states and 71 cities with a total retail area of ~8.4 lac Sq. Ft.	V2 - your favourite Fashion Brand is now ONLINE. We are delighted to announce the launch of our ecommerce portal V2 Kart (www.v2kart.com). Our online store provides our existing and prospective clients with an easier, more intuitive, user friendly shopping and checkout experience.
Business verticals	Positioning
Our product portfolio mix includes Men's Wear – Upper, Lower, Occasion Wear, Winter Wear, Sportswear, Formal, Casual, Ladies Wear – Ethnic wear, Upper, Lower, Occasion Wear, Winter Wear, Sportswear, Kids Wear – Boy, Girls, Infants, Winter Wear and Lifestyle - Lifestyle products like Deodorants, wallets, sunglasses, ladies purse etc.	The Company's business model revolves around making quality product accessible to the large section of society within the acceptable price points. V2 Retail's average product realization of ₹ 279 and average net billing per customer of ₹ 743 in FY2020 were lower than most organized retail brands in India, reinforcing its position as one of the most affordable yet fashionable retail chains of India.

Corporate Overview

V2 Retail Limited, incorporated in the year 2001 with an objective of providing merchandise to masses at affordable price.

The Company operates 76 stores spread across 17 states and 71 cities with a total retail area of 8.4 lakh Sq. Ft. as on March 31, 2020

The Company went Public in the year 2007. The brand "Vishal" was sold in the year 2011 due to operational losses. The Company was renamed V2 Retail Limited

V2 Retail is now ONLINE. Launched e-commerce portal V2 Kart (www.v2kart.com)

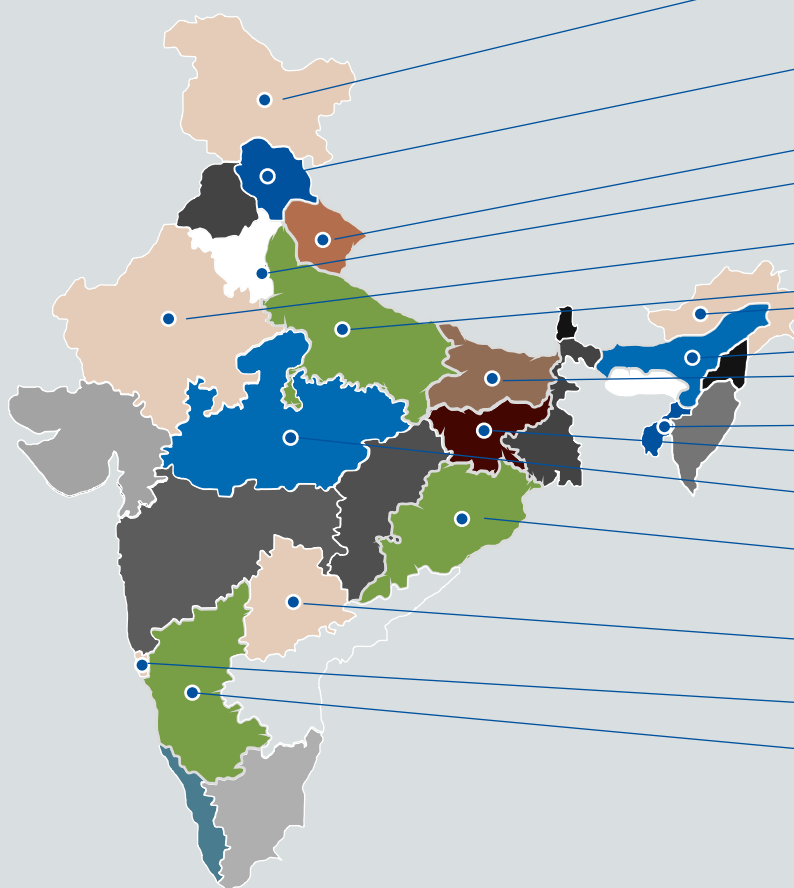
It primarily operates in Tier-II and Tier-III cities, with a chain of "V2 Retail" stores offering apparels and general merchandise, catering to the entire family.

V2 Retail caters to the 'neo middle class' and 'middle class' group of population.

"Never Go Out of Style"

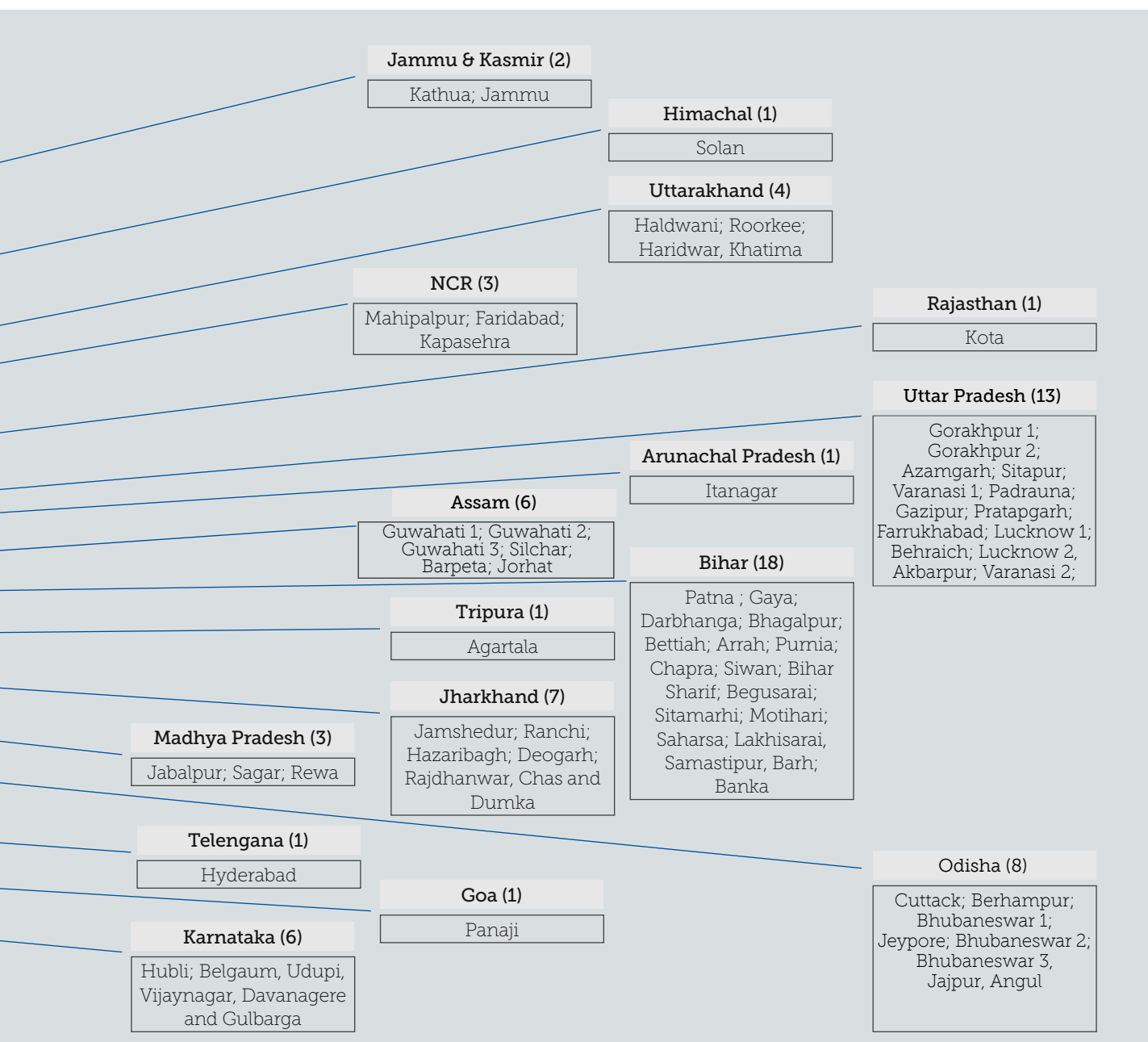
V2 Retail.

Our growing stores network



This is how we have grown across the years

2001 The Company was incorporated in 2001 as Vishal Retail Limited.	2007 The Company went to public and raised ₹110 crore.	2008 Turnover reached ₹1,000 crore.	2011 Brand Vishal was sold due to operational losses. The name of the Company was changed from Vishal Retail Limited to V2 Retail Limited.	2012 First store was opened in Jamshedpur following restructuring.
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**2014**

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

2016

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

2017

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

2018

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

2020

Stores increased to 76. Company launched many marketing campaigns including "The Big Winter Sale, Happy Saraswati Puja, Maha Dhamaka Offer, Holi fashion Wali, Shubh Lagan, Special Diwali Offer, Big Republic Sale/ etc. Retail space coverage crossed 8.4 lakh sq. ft. Turnover crossed ₹ 700 crore.

Our performance over the years

Stores (Number)

FY2015-16	22
FY2016-17	37
FY2017-18	49
FY2018-19	77
FY2019-20	76

A year of consolidation and stabilisation, the Company opened 4 new stores and closed 5 stores during the year.

Retail Space (lakh sq. ft.)

FY2015-16	2.62
FY2016-17	4.62
FY2017-18	5.56
FY2018-19	9.06
FY2019-20	8.40

Maximising the per square space utilisation, the Company has moderated the retail space during the year.

Inventory (days of sale)

FY2015-16	124
FY2016-17	89
FY2017-18	105
FY2018-19	132
FY2019-20	102

Aiming towards maximising the inventory churn and making available the latest merchandise, the Company has been able to reduce the inventory and endeavour to further reduce number of days of inventory.

Sales per sq. ft. (₹ per month)

FY2015-16	1255
FY2016-17	1107
FY2017-18	942
FY2018-19	792
FY2019-20	672

A year that started with diminishing consumer sentiments was further strained by the pandemic towards the end of year leading to moderation in sales per sq.ft.

Rent per sq. ft. (₹ per month)

FY2015-16	47
FY2016-17	53
FY2017-18	44
FY2018-19	43
FY2019-20	45

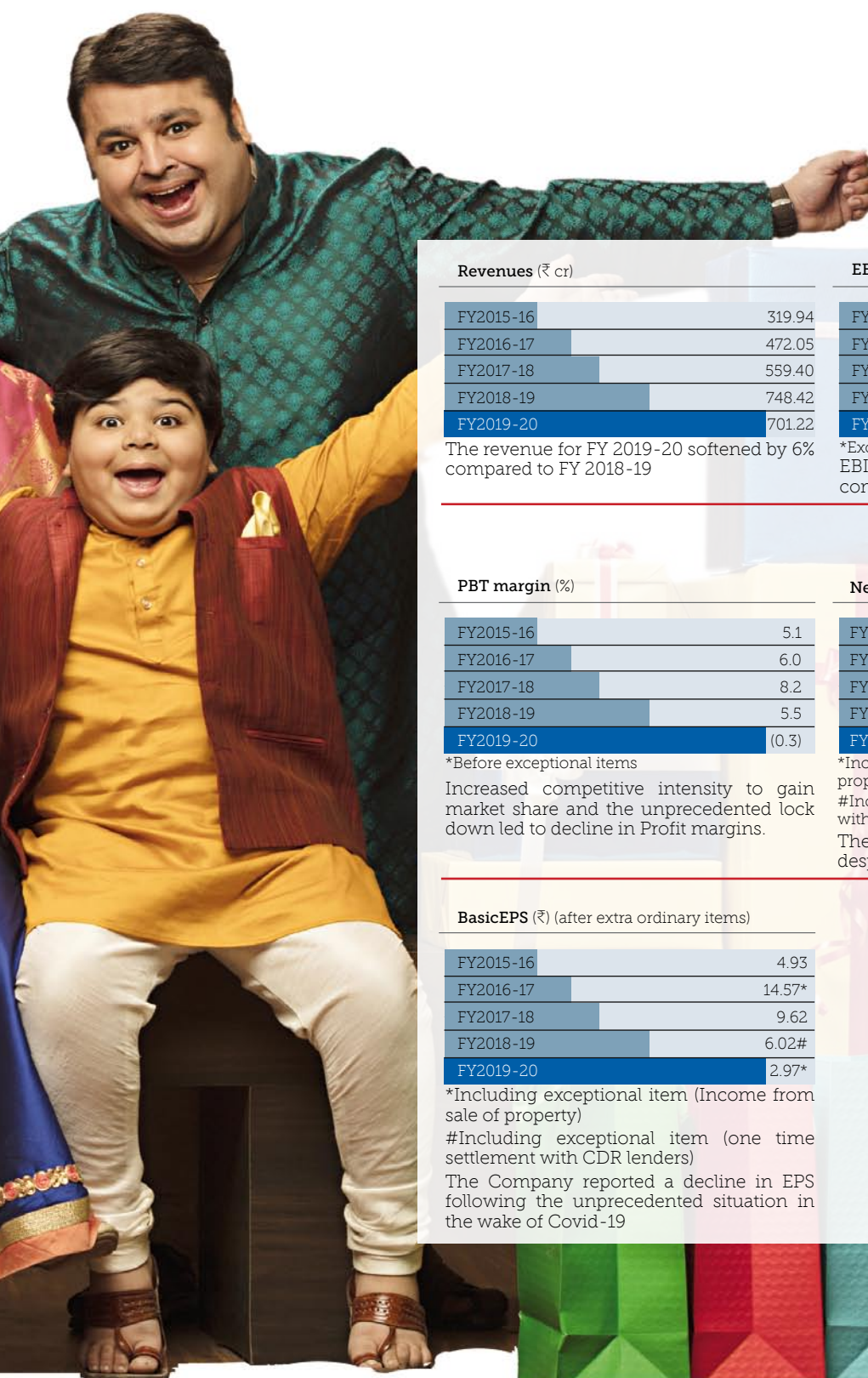
The Company was able to manage the Rentals, which is one of the major fixed cost within the range.

Same stores sales growth (SSG)(%)

FY2015-16	6
FY2016-17	2
FY2017-18	(4)
FY2018-19	(5)
FY2019-20	(8)

The Company reported a de-growth of 8% in SSG owing to overall slowdown in economic activity throughout the year coupled with lock down imposed in the month of March 2020.



**Revenues (₹ cr)**

FY2015-16	319.94
FY2016-17	472.05
FY2017-18	559.40
FY2018-19	748.42
FY2019-20	701.22

The revenue for FY 2019-20 softened by 6% compared to FY 2018-19

EBIDTA margin (%)

FY2015-16	9.8
FY2016-17	8.8
FY2017-18	9.2
FY2018-19	6.3
FY2019-20	10.8

*Excluding Other Income
EBIDTA for FY20 stood at 76.04 cr as compared to ₹46.86 cr for FY19

PBT margin (%)

FY2015-16	5.1
FY2016-17	6.0
FY2017-18	8.2
FY2018-19	5.5
FY2019-20	(0.3)

*Before exceptional items

Increased competitive intensity to gain market share and the unprecedented lock down led to decline in Profit margins.

Net profit (₹ cr)

FY2015-16	12.17
FY2016-17	39.03*
FY2017-18	31.08
FY2018-19	20.49#
FY2019-20	10.15*

*Including exceptional item (Income from sale of property)

#Including exceptional item (one time settlement with CDR lenders)

The Company reported profit for the year despite the challenging landscape,

BasicEPS (₹) (after extra ordinary items)

FY2015-16	4.93
FY2016-17	14.57*
FY2017-18	9.62
FY2018-19	6.02#
FY2019-20	2.97*

*Including exceptional item (Income from sale of property)

#Including exceptional item (one time settlement with CDR lenders)

The Company reported a decline in EPS following the unprecedented situation in the wake of Covid-19

Chairman's message



Ram Chandra Agarwal
Chairman

"This is an inflection point for organised retail and we are looking at sustainable long term growth for the sector as a whole."

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.

Today, the world is at the cusp of a new normal. COVID-19 and the associated lockdowns across countries have triggered a once in-a-century crisis for the society and the economy in 2020. This is a defining period in human and business history: one that will test the resilience of individuals, societies, corporations, and nations.

Given the fog of uncertainty all around, it is hard to be prescient in these times. But there is little doubt on one reality: companies with quality leadership, sound business fundamentals, and a track record of winning in turbulent times, will emerge as champions in the new global order.

It gives me immense pleasure to share with you that V2 Retail is not only well prepared to embrace the new but is also taking the lead in the transformation of the Indian value retailing landscape. In the meantime, I hope you are taking good care of your health and wellbeing and that of your family during these pandemic times.

Employee health and safety is accorded the highest priority at V2 Retail. This has been reflected in our proactive response to the coronavirus outbreak, consequent imposition of lockdowns, and graded unlocking currently underway.

Now, with our stores gradually opening across the country in accordance with containment zoning guidelines, we are taking every precaution to ensure a seamless yet safe shopping experience for our walk-in customers. At the same time, we are ramping up our digital marketplace to better mirror our customers' fast-changing needs.

V2 Retail has been refining its positioning as the most loved shopping destination for the young Indian family. We are addressing the sectoral opportunity by presenting a wide assortment of products in India's organized retail. We are offering a choice that addresses the aspirational needs of Bharat's consumers. We have strengthened our differentiation through a superior price-value position extending far beyond the 'sabsesasta' positioning. Our focus continues to accelerate our universe of Private brands. The new price positioning, focus on essentials with high-quality value for money merchandise, will drive the business to new heights. We are already beginning to see green shoots of these initiatives. At our company, the difference starts from our store design, the friendliness of our staff, the engagement quality with our customers and our offerings mix compromising a larger proportion of non-food products, especially apparel. The result is that V2 Retail is shifting the needle from quality products to holistically superior experiences.

While shoppers are anxious to get out of their homes, it would take time for some sense of normalcy to prevail. But whenever that happens, consumer behaviour would have changed forever. These trends are likely to redefine even the most deeply entrenched selling and buying habits. Retailers will need to continuously innovate to fully tap the opportunities.

The pandemic has compelled companies to extend beyond the short-term reality of demand destruction and focus on initiatives that enhance long-term sustainability. The online preference has become more visible following the outbreak of Covid-19. Consumers are opting to buy essentials and other products from home in a bigger way than they had

done in the past. Sighting the new normal, V2Retail has strengthened its Omni-channel capabilities and has improved its cost efficiency. The Company has also launched its e-commerce portal V2 Kart (www.v2kart.com). V2 Retail is attractively positioned to capitalise on the omni-channel opportunity.

What provides me with optimism is the passion at V2 Retail. This is an organization with a new and younger management team. This is an organization that possesses the self-confidence to perpetually question itself. This is an organization that keeps asking 'Why not?' when coming to new initiatives. This is an organization with a relatively de-layered organisational structure, making it quicker to communicate. This is an

organization where if we have to fail, we would prefer to fail fast and move on. This is an organisation with a distinctive workplace excitement.

We are now reaping the benefits of those initiatives across the organisation. As the Company transforms its approach to customer experience and product marketing, enabled by its cost excellence and talented pool of people, I believe V2 Retail is well placed to deliver long-term value to its customers, employees and the society, and reward its shareholders.

Ram Chandra Agarwal
Chairman



Board of Directors



Mr. Ram Chandra Agarwal
Chairman & Managing
Director

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



Mr. Akash Agarwal
Whole Time Director & CFO

Mr. Akash agarwal holds a Bachelor's degree in Business Administration (BBA) from Lancaster University (UK) and possess more than seven years of experience in the retail industry. He has been designated as Chief Financial Officer of the Company w.e.f. 25th June, 2020. He looks after E-Commerce, Procurement and Finance.



Mrs. Uma Agarwal
Whole Time Director

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



**Ms. Rochelle Susana
D'Souza**
Nominee Director

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



Mr. Harbir Singh Sidhu
Independent Director

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



Dr. Arun Kumar Roopanwal
Independent Director

Dr. Arun Kumar Roopanwal holds Ph.D in textiles and M.Tech in textiles technology from IIT Delhi. He has over 35 Years of extensive experience in working with various retail companies. He is having a vast experience in the field of Marketing, Product Development, Business Development, Strategic Planning and Administration.



Mr. Lalit Kumar
Independent Director

Mr. Lalit Kumar is an FCA, FCS and Commerce graduate from Shriram College of Commerce, Delhi. As an Entrepreneurial Profits & Growth strategist, he has worked with multiple sectors like Finance, Retail, Education & Skill Development, Infrastructure etc. He has extensive experience in Retail Industry. He was associated with various retail chains both in India and Dubai. He has also been a visiting faculty to NIFT, New Delhi.



Mrs. Archana S Yadav
Independent Director

A Chartered Accountant in practice with more than 14 years of experience, having expertise in GST, Income Tax, International Tax & Corporate Audits. She served as Financial Advisor to the autonomous body M/s National Institute of Solar Energy, under Ministry of New & Renewable Energy. She has also worked with various MNC's as Management Consultant, Service tax Consultant & Direct Tax advisor. She was appointed as GST Faculty by ICAI for GST knowledge sharing across India.



Operational Review



Ours is a story of truly made in India business reflecting the aspirations and dreams of ever changing, yet traditional Indian. The heart of Bharat, which has its root in Semi-urban and rural India. This part of India though accounting for the largest part of population, yet highly unserved in an organised manner. This part representing the most potent emerging stories of India's economy.

From being termed as an economic laggard, India now is counted amongst the economic giants, with the best yet to come. There is a growing conviction that with a number of large Indian cities being saturated for consumption possibilities, the growth of the future could come from a large number of Tier 2, 3 and 4 cities across the vast Indian landmass.

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

Uninterrupted access to the internet has led to increased awareness about the latest trends alongside aspirations of catching the Urban India. This awareness and aspiration are fuelling the demand push for more organised play from the

vastly under-consumed semiurban population.

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

At V2 Retail, we are the right place at the right time with the right business model to capitalize on this inflection opportunity. We believe in continuously evaluating and evolving. Our response to the unfolding environment has been prompted by a few priorities.

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

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

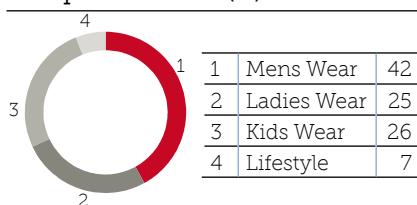
Three, the market will keep growing across the foreseeable future as a large part of India residing at the bottom of its economic pyramid graduates into its middle-class.

Four, the key to unlocking the potential of this market lies in entering Tier 2, 3 and 4 locations with one store, seeding demand and then rolling out more stores in the same location by capitalizing on the existing V2 Retail brand

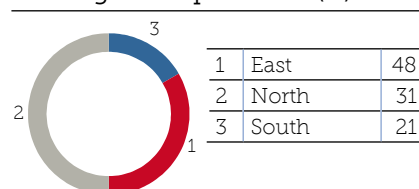
and leveraging various economies (brand, procurement and logistical). The Company launched its first store in 2011 at Jamshedpur and subsequently widened its footprint across East and Central India. Today more than 50% of the Company's 76 stores are spread across Uttar Pradesh, Bihar and Jharkhand, states marked by a lower organized retail penetration.

During the year under review, the Company added 4 new stores (closed 5) across the states of Madhya Pradesh, Bihar, Uttar Pradesh, Karnataka, Uttarakhand, Assam, Odisha, Jharkhand, Telangana, Rajasthan, Jammu & Kashmir and Goa. The result is that the V2 Retail of today is still in the first phase of its existing, spreading wider. Once the Company acquires the necessary lateral footprint, it will embark on the second phase of drilling deeper into its markets, generating superior economies, margins and surpluses.

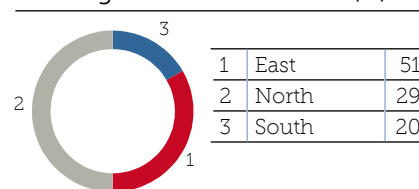
Our product mix (%)



Our regional space mix (%)



Our regional revenue mix (%)



V2 Retail.

Make fashion accessible by focusing on private labels

The V2 Retail product portfolio caters to the evolving fashion trends and covers a wide range of customer preferences. Designed to meet the requirements of every customer segment, a variety of products encompassing private labels, domestic brands, together with an incomparable 'V2 Retail' brand recall, attracts and retains customers. This has enhanced our market position and helping us in our pursuit of greater consumer mindshare.

At V2 Retail, we have stated standards and robust practices, procedures and policy to source merchandise on a sustainable basis. We also encourage and empower small and medium scale businesses by sourcing our private label merchandise through them and supporting their technological and financial capability enhancement.

In this linear flow, the role of private labels cannot be over-stated. At V2 Retail, we recognise that a sales mix without proprietary labels stands the risk of a relatively high cost structure and lower margins. More importantly, in a world

where fashion preference keep changing every few months, there is a premium on the ability to respond with speed to changes in marketplace preferences.

In view of this, the Company took a strategic call in selecting to launch its proprietary apparel label in 2016. The launch of the proprietary label was directed towards creating brand value on the Company's books, strengthening recall among consumers, weaving focused communication around periodic launches and enhancing margins.

As we target increased share of private label alongside changing consumer preferences and market trends, we have also invested in setting up manufacturing facilities for our private labels.

During the year under review, the Company increased private label revenues from 2% of turnover in 2015-16 to 30% in 2019-20. The overall share of private labels in the total turnover will be very substantial from FY2022.

Proportion of revenues from proprietary labels (%)

Year	2015-16	2016-17	2017-18	2018-19	2019-20
% of revenues	2	8	12.5	23	30





V2 Retail.

Bridging the fashion divide in Bharat.

India's domestic consumption, which accounts for 60% of its GDP, is expected to grow into a \$6 trillion opportunity by 2025. These are some of the reasons why we are optimistic about Bharat.

Growing population, adding around 15 million every single year, the largest annual population increment anywhere in the world, creating a multi-year consumption opportunity.

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

Growth in income will transform India from a bottom of the pyramid to a middle-class driven economy, with consumer spending growing four times by 2030.

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

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

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

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

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

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



How **V2 Retail** becomes most promising value retail fashionable chain

First-mover advantage

More than 25 years of experience in serving the Indian Retail space.

First mover advantage in various Tier-II and Tier-III cities.

Centralised procurement & quality check

Centralized procurement and rigorous quality check.

Wide network of registered vendors and suppliers spread across the country.

One Stop Family Shop with Pleasant ambience

Pleasant Air-Conditioned stores ambience with trial rooms. Product range specifically caters to the demands and aspirations of 'neo middle class' and the 'middle class' group of the population with an added focus on latest fashion and trends.

Efficient Supply Chain Management

Comprehensive SCM system comprising of planning, sourcing, standardization, logistics, quality control, pilferage control, replacement and replenishment.

Distribution center capable of catering to 10 lakh sq. ft. of retail space.

Technology

The organised retail industry is critically dependent on information technology; V2 Retail is no exception. All processes - planning and procurement to warehousing and sales - across our stores are hosted on our integrated information technology system. The core business runs on SAP ERP and a proprietary point-of-sale tool.

Value-for-money fashion

V2 Retail has widened its market positioning by attracting wide spectrum of consumer, the one which is fashion freak, the one who is also price conscious, the one who wants to look trendy yet traditional. Our modest average product selling of ₹ 279 per product, average billing per customer of ₹ 743 helping us widening our footprint in the heart of Bharat.

Cost management

V2 Retail's wider presence in low competition Tier-2 and 3 cities, moderated rent and employee costs on the one hand alongside superior per square feet sales helping in better absorption of cost and enhancing our margins.

Low cost procurement destination

V2 Retail follow stringent norms to select and procure vendor partners. We continuously engages with vendor partners to surpass agreed benchmarks on better design and product performance. Our experience and careful selection of vendors along with support, helps us in better negotiation.

Store presence

As on March 31, 2020, the Company operates 76 stores spread across 17 states and 71 cities with a total retail area of 8.4 lac Sq. Ft.

Our store location selection is reflection of our motto of taking fashion to the roots of Bharat.



Growth Drivers for Retail in India



Management discussion and analysis



Global economic overview

The global economy grew 2.9% in 2019 compared to 3.6% in 2018. This sharp decline was precipitated by an increase in global trade disputes that affected the cross-border movement of products and services, a slowdown in the global manufacturing sector, weak growth coming out of some of the largest global economies and the impact of Brexit. The result was that global trade grew a mere 0.9% in 2019, pulling down the overall economic growth average. Going ahead, the 'Great Lockdown', as a result of the pandemic Covid-19, is projected to shrink the global growth in calendar year 2020 and thereafter. (Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

Indian economic review

India emerged as the fifth largest world economy in 2019 with a gross domestic product (GDP) of \$2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. However, there was a decline in consumer spending that affected India's GDP growth during the year under review. India's growth for FY2019-20 was estimated at 4.2% compared with 6.1% in the previous year. Manufacturing growth was seen at 2%, a 15-year low as against 6.9% growth in FY19.

The nationwide lockdown imposed during the end of the financial year has shaken the entire economic scenario in the country, impacting various sectors in one or the other manner. The consumer sentiments have also shifted from discreet spending to essential commodities. The economy is also estimated to de-grow sharply during the current fiscal owing to the lockdown imposed to prevent the COVID-19 pandemic.

Indian retail industry overview

India is the fourth-largest global retail destination (after

Y-O-Y growth of the Indian Economy

Particulars	FY 17	FY 18	FY 19	FY 20
Real GDP Growth (%)	8.3	7	6.1	4.2

Growth of the Indian Economy

Particulars	Q1 FY20	Q2 FY20	Q3 FY20	FY 20
Real GDP Growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF)

the US, China and Japan). India ranked second in Global Retail Development Index (GRDI) in 2019. The Indian retail industry accounts for about 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. The retail sector was estimated at US\$ 0.7 trillion in 2019, driven by socio-demographic and economic factors such as urbanisation, aspirations cum income growth and a rise in nuclear families. However, the sector's performance was sluggish in 2019-20 on account of consumption slowdown, a reflection of weaker consumer sentiment.

India's retail market is estimated to grow to US\$1.1-1.3 trillion by 2025 from US\$0.7 trillion in 2019, growing at a compound annual growth rate (CAGR) of 9-10%, driven by socio-demographic and economic factors like urbanisation, income growth and nuclear families (assuming the market normalises from the pandemic effect). Over time, India has moved up from rank 130 to 63 in World Bank's Ease of Doing Business in 2019. The country is the only one to have improved ranking by more than 10 points consecutively for three years, strengthening FDI inflows into the retail industry.

India's retail sector attracted US\$ 970 million from various private equity funds in 2019. Cumulative FDI inflows from April 2000 to December 2019 in the country's

retail sector were estimated at US\$ 2 billion. With the COVID-19 pandemic affecting consumer spending, retail sales for 2020 could decline. Retail categories like grocery and essential consumables could perform creditably, while miscellaneous discretionary categories (fashion, beauty and cosmetics) could be affected. (Source: Economic Times, Live Mint, IBEF)

Indian organised retail industry

As internet penetration increases, the share of organised retail market is expected to increase from 12 percent in FY 2019 to 25 percent in FY 2024. Technology is expected a major role in enhancing consumer experience. The next 10-12 years could be defining for the Indian retail sector as the market matures and organized retail penetrates deeper into smaller cities and towns. While more international brands and retailers across categories and formats could enter and grow the Indian business, India could become a key growth market for ones already present.

India's organised retail penetration is lower than other countries like United States (85%), indicating headroom. Within organized retail, food & beverage account for around 65%, followed by apparel at 10% and personal care at 3%.

The Indian Government's decision to permit 100% foreign direct investment in single-brand

retail through the automatic investment route and relaxation of sourcing norms could strengthen the organized sector. (Source: Care Ratings, Financial Express, indiaretailing.com)

Key Trends

Emphasis on private labels

Both online and offline fashion players are increasing their focus on building private labels/in-house brands due to inherent advantages such as lower concept-to-customer time, faster execution vis-à-vis dealing with third-party brands, better control over quality and pricing, improved margins, and differentiated and exclusive offerings.

Growth of rural consumption:

Rural per capita consumption will grow 4.3 times by 2030, compared to 3.5 times in urban areas.

Omni channel:

Large offline retail brands launched their online presence, widening their complementary omnichannel model

Increased Penetration:

With online players delivering to the smallest of towns, consumers are increasingly aware of international and indigenous brands, an opportunity for modern retailers seeking to enter Tier III and IV markets.

Women and kids' fashion as growth drivers

Growing financial independence of women is driving growth in categories related to fashion, beauty and kids, offering promising segments for Retailers to pursue.

Value fashion - gaining traction

Value fashion is a promising segment in fashion retail with the possibility of appealing to a wider customer base and reaching more geographies. Enriching





customer experience through visual merchandising. Customer experience in fashion retail is driven by exciting window displays, in-store ambiance, coordinated product displays, lighting, music and communication. Growing awareness, coupled with the entry of international players in the industry, is making visual merchandising as an integral proposition in retail. Retailers are leveraging technologies such as augmented reality to increase footfalls and engagement within stores.

Outlook

Following the COVID-19 outbreak, the future appears uncertain and the actual impact could depend on the extent of behavioural change. The modern trade format is expected to deepen its relevance on account of a superior value proposition, hygiene and convenience, complemented by online retail.

Company overview

Established in 2001, V2 Retail Limited provides a comprehensive portfolio of product offerings addressing diverse pockets. The Company offers smart, trendy and fashionable apparels across categories at affordable prices under one roof. The Company operates 76 stores in 17 states and 71 cities (primarily Tier-II and Tier-III) covering a total retail area 8.4 lakh sq. ft.

During the year under review, the Company opened 4 new stores and closed 5 stores. The Company plans to improve its store profitability and would be looking at rationalising certain stores before accelerate growth through accelerated store addition. To increase bill size, store productivity and store gross margins, V2 Retail plans to increase the share of its private labels across its stores.

The Company has incorporated a wholly owned subsidiary named

V2 Smart Manufacturing Private Limited during the year under review. The company will be engaged in manufacturing of apparel and others.

Key Strategic Areas:

- Focus on margin-accretive private labels and increase its share in the Company's revenue
- Focus on achieving same store sales growth
- Inventory Management
- Omni Channel Business

- Launch stores in existing clusters

Financial Highlights (Standalone):

Revenues: Revenue during the year stood at ₹ 701.2 crore, softening by 6.3% as compared to ₹ 748.42 crore in FY2018-19.

EBIDTA: EBIDTA for FY20 stood at ₹ 76.04 crore as compared to ₹ 46.86 crore for FY19

Profit after tax: The Company registered a profit after tax of ₹ 10.1 crore compared to ₹ 20.5 crore in the previous year.

Key Financial Highlights

Particulars (₹ crores)	Standalone		Consolidated
	FY 20	FY 19	FY 20
Revenue from Operations	701.22	748.42	701.23
PBT	10.47	15.05	8.67
PAT	10.15	20.49	8.78
EPS	2.97	6.02	2.57

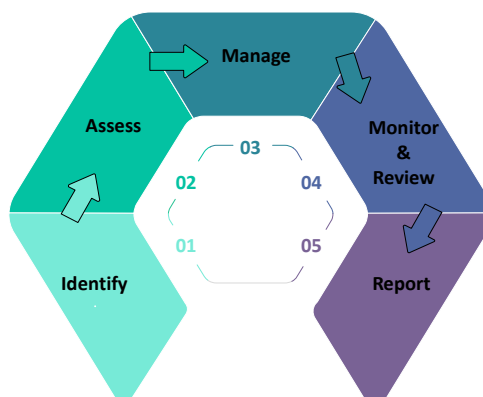
Key Ratio

Particulars	FY 20	FY 19
Inventory holding days	102	132
Trade Payable holding days	57	68
Debt Equity Ratio (x)	0.24	0.03x
Net Debt Equity Ratio (x)	(0.16)	0.01
PAT Margin (%)	1.4	2.7

Risk Management

V2 Retail's Risk Management function enables the achievement of strategic objectives by identifying, analysing, assessing, mitigating, monitoring and governing any risk or potential threats to their business functions. The risks associated with the business are successfully identified and mitigated on priority, based on its severity, likelihood and impact. Risk management policies are revised regularly to replicate deviations in market conditions and align the

Company's activities to mitigation strategies. Risk are owned, managed and formally reviewed across V2 Retail using the following process:





Risks	Meaning	Mitigation Strategies
Economic and Market Risk	Major changes in the economic environment (such as the pandemic) may challenge the existing business strategy, have a material impact on financial performance and dilute our competitive advantage.	We rely on a multi-format click-and-mortar model that enables us to respond to changes in customer demand, manage the product mix and pricing policy and identify opportunities for growth.
Geographic concentration risk	Concentration in a particular geography could hurt business growth in case of a geographical slowdown	As on March 31, 2020, the Company operates 76 stores spread across 17 states and 71 cities with a total retail area of ~8.4 lac Sq. Ft.
Shrinkage / Inventory Risk	Shrinkage in the retail business is defined as the loss in inventory through a combination of shop lifting, pilferage and errors in documentation and transaction processing that go unnoticed	We monitor shrinkage on a regular basis and look at various factors that could lead to shrinkage at stores and distribution centres. Store Operations and Supply Chain teams work together and monitor the shrinkage level on a month-on-month basis. Our shrinkage percentage is controlled and our endeavour will always be to lower this ratio through proper monitoring and continuously reviewing inventory management processes and systems.
Employee retention	Our strategic goals are heavily dependent on the competencies and performance of our people. The high churn rate in the retail space is a key risk since demand for experienced personnel in modern retail will only increase in the near term and long term.	We monitor the labour market and provide employee benefits in line with market. We have also devised an ESOP policy to retain and attract people. We have a defined system for employee on-boarding, training and development in place.
Technology Risk	Failure to match IT capabilities, scalability and reliability in relation to business requirements will disrupt business continuity.	We engage the best external experts and develop partnerships and in-house expertise in key IT solutions.
Finance Risk	Inability to grow at competitive rates could impact business sustainability	The Company's has a net debt-equity ratio of (0.16) which provides financial comfort. Besides, the Company has a cash balance of ₹ 67.5 crore, strengthening its business foundation.



Human Resources

V2 Retail treats its workforce as a precious asset and promotes just and fair HR practices, and employee-friendly policies and processes. V2 Retail believes that its competitive advantage lies within its people. The Company relies on its workforce to promote a diverse and inclusive culture to ensure long-term business sustainability. V2 Retail continues to provide adequate opportunities for professional growth and offers training to enhance the skills and capabilities of its people, empowering them with knowledge to seamlessly adopt ongoing technological interventions and significantly improve value propositions for its customers.

The company has a total employee strength of 2675 as on March 31, 2020.

Internal Control System and Adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The Audit Committee reviews reports presented by the internal auditors routinely. The Committee makes note of the audit observations and takes corrective actions, if necessary. It maintains a constant dialogue with statutory and internal auditors to ensure adequacy of internal control systems.

Cautionary Statements

This Management Discussion & Analysis report makes forward-looking statements based on certain assumptions and expectations of future events



over which V2 Retail exercises no control. V2 Retail cannot guarantee their accuracy nor can it warrant that the same will be realised. Actual results could differ materially from those expressed or implied. Macroeconomic factors such as

demand, supply, global economic and geopolitical developments, government regulatory and tax framework, liquidity in the market etc. could impact the operations of V2 Retail.



V2 RETAIL LIMITED

CIN - L74999DL2001PLC147724,

Regd. Office: Khasra No. 928, Extended Lal Dora Abadi,
Village- Kapashera, Tehsil Vasant Vihar, New Delhi South West Delhi – 110 037,

Phone: 011-41771850, E-mail: cs@vrl.net.in,

Website: www.v2retail.com

NOTICE

Notice is hereby given that the 19th (Nineteenth) Annual General Meeting (AGM) of the Members of V2 Retail Limited will be held on Monday, 28th September, 2020 at 10.00 AM IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") for the purpose of which the Registered Office of the Company situated at Khasra No. 928, Extended Lal Dora Abadi, Village-Kapashera, South West Delhi, New Delhi – 110 037 shall be deemed to be the venue of the AGM and the proceedings of the AGM shall be deemed to be taken place thereat, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020, the Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020 and the Report of Auditors 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 re-appointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Lalit Kumar (DIN 00025150) who was appointed by the Board as an Additional Director designated as Non-Executive Independent Director of the Company w.e.f. 27th January, 2020, and who holds office till the date of ensuing Annual General Meeting of the Company and who has submitted a declaration confirming that he meets the criteria of independence under section 149(6) of the Companies Act, 2013 and

SEBI (LODR) Regulations who is eligible for appointment and is recommended by Board of Directors upon the recommendation of Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director, not liable to retire by rotation and to hold office for a term of 5 (Five) consecutive years with effect from the date of this Annual General Meeting.

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."

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Dr. Arun Kumar Roopanwal (DIN 00406817) who was appointed by the Board as an Additional Director designated as Non-Executive Independent Director of the Company w.e.f. 27th January, 2020, and who holds office till the date of ensuing Annual General Meeting of the Company and

SEBI (LODR) Regulations who has submitted a declaration confirming that he meets the criteria of independence under section 149(6) of the Companies Act, 2013 and and SEBI (LODR) Regulations who is eligible for appointment and is recommended by Board of Directors upon the recommendation of Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director, not liable to retire by rotation and to hold office for a term of 5 (Five) consecutive years with effect from the date of this Annual General Meeting.

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."

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mrs. Archana Surendra Yadav (DIN 07335198) who was appointed by the Board as an Additional Director designated as Non-Executive Independent Director of the Company w.e.f. 27th January, 2020, and who holds office till the date of ensuing Annual General Meeting of the Company and who has submitted a declaration confirming that she meets the criteria of independence under section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations who is eligible for appointment and is recommended by Board of Directors upon the recommendation of Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director, not liable to retire by rotation and to hold office for a term of 5 (Five) consecutive years with effect from the date of this Annual General Meeting.

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."

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

"RESOLVED THAT Pursuant to the provisions of Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, other applicable laws/regulations and subject to the approval of such other authorities as may be necessary, and as also recommended by Nomination & Remuneration Committee, consent of the Members of the Company do hereby accorded to approve the payment of remuneration **up to** ₹ 5,00,000 per month instead of ₹ 5,00,000 per month plus perquisites to Mr. Ram Chandra Agarwal, Chairman and Managing Director (DIN 00491885) of the Company for FY21.

RESOLVED FURTHER THAT in the event of no profits or inadequacy of profits the remuneration payable to Mr. Ram Chandra Agarwal, Chairman and Managing Director (DIN 00491885) shall be regulated in accordance with applicable parts/sections of schedule V and/or other applicable provision of the Act, as existing from time to time.

RESOLVED FURTHER THAT to give effect to above resolution, the Board of Directors of the Company be and are hereby authorized to take all necessary steps, including vary the remuneration payable to Chairman & Managing Director of the Company for FY 2020-21 with in the overall approved limits of ₹ 5 Lakhs per month and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

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

"RESOLVED THAT Pursuant to the provisions of Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, other applicable laws/regulations and subject to the approval of such other authorities as may be necessary, and as also recommended by the Nomination & Remuneration Committee, consent of the Members of the Company do hereby accorded to approve the payment of remuneration **up to** ₹ 5,00,000 per month instead of ₹ 5,00,000 per month to Mr. Akash Agarwal, Whole-time Director & CFO (DIN 03194632) of the Company for FY21.

RESOLVED FURTHER THAT in the event of no profits or inadequacy of profits in any financial year the remuneration payable to Mr. Akash Agarwal, Whole-time Director & CFO (DIN 03194632) shall be regulated in

accordance with applicable parts/sections of schedule V and/or other applicable provision of the Act, as existing from time to time.

RESOLVED FURTHER THAT to give effect to above resolution, the Board of Directors of the Company be and are hereby authorized to take all necessary steps, including vary the remuneration payable to Whole-time Director & CFO of the Company for FY 2020-21 with in the overall approved limits of ₹ 5 Lakhs per month and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

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

"RESOLVED THAT Pursuant to the provisions of Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, other applicable laws/regulations and subject to the approval of such other authorities as may be necessary, and as also recommended by the Nomination & Remuneration Committee, the consent of the Members of the Company do hereby accorded to approve the payment of remuneration **up to** Rs 5,00,000 per month instead of ₹ 5,00,000 per month to Mrs. Uma Agarwal, Whole-time Director (DIN 00495945) of the Company for FY21.

RESOLVED FURTHER THAT in the event of no profits or inadequacy of profits the remuneration ayable to Mrs. Uma Agarwal, Whole-time Director (DIN 00495945) shall be regulated in accordance with applicable parts/sections of schedule V and/or other applicable provision of the Act, as existing from time to time.

RESOLVED FURTHER THAT to give effect to above resolution, the Board of Directors of the Company be and are hereby authorized to take all necessary steps, including vary the remuneration payable to Whole-time Director of the Company for FY 2020-21 with in the overall approved limits of ₹ 5 Lakhs per month and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

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

"RESOLVED THAT Pursuant to the provisions of Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, other applicable laws/regulations and subject to the approval of such other authorities as may be necessary, considering the work engagement of Mr. Ram Chandra Agarwal, Chairman & Managing Director, Mr. Akash Agarwal, Mrs. Uma Agarwal, Whole-time Directors of the Company, and as also recommended by the Nomination & Remuneration Committee, the consent of the Members of the Company do hereby accorded to approve and ratify/waiver of the payment of remuneration upto ₹ 5,00,000 per month each to Mr. Ram Chandra Agarwal, Chairman & Managing Director (DIN 00491885), Mr. Akash Agarwal Whole-Time Director & CFO (DIN 03194632) & Mrs. Uma Agarwal, Whole-Time Director (DIN 00495945) of the Company for FY20 as by virtue of economic slowdown and lockdown happened across the country due to COVID -19 pandemic, profits was inadequate for FY20.

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 Order of the Board
For V2 Retail Limited**

Sudhir Kumar
Company Secretary & Compliance Officer
M. No.: A25125

Date: 19-08-2020
Place: New Delhi

Notes :

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

The Company has engaged the services of Link Intime India Private Limited (Intime) to provide the necessary electronic platform for holding the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and to provide remote e-voting facilities and for security and enabling the members to cast their vote in a secure manner.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM VIA LINK INTIME INSTAMEET ARE AS UNDER:

Step1: Access the VC portal by clicking on the following link <https://instameet.linkintime.co.in>

Thereafter, a Web Page of Link Intime InstaMeet will appear and the following steps are to be followed thereon:

Step 2: Select the "Company" and 'Event Date' and register with your following details: -

- A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in CDSL Demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in NSDL Demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in Physical form shall provide Folio Number registered with the Company
- B. **PAN:** Enter your 10-digit Permanent Account Number (PAN)

(Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.)
- C. **Mobile No.:** Enter your mobile number.

- D. **Email ID:** Enter your email id, as recorded with your DP/Company.

Step3: Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Note: Please refer the instructions for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS WHO INTENDS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. Shareholders who would like to speak during the meeting must register their request **7 days in advance** with the company on the specific email id i.e. cs@vrl.net.in.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
3. Shareholders will receive "Speaking Serial Number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the Panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Note: Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Once the Electronic Voting is activated by the Scrutinizer/ Moderator during the Meeting, Shareholders/ Members who have not exercised their vote through the Remote E-voting can cast the Vote as under:

1. On the Shareholders VC page, click on the link for E-Voting "**Cast your vote**"
2. Enter your 16 digit Demat Account No./ Folio No. and OTP (received on the registered

Mobile number/ registered Email Id) received during registration for InstaMEET and click on 'Submit'.

3. After successful login, you will see "Resolution Description" and against the same the option "Favor/ against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favor/against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favor/against'.
5. After selecting the appropriate option i.e. Favor/ against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

SYSTEM REQUIREMENTS RELATED INSTRUCTIONS FOR BEST VC EXPERIENCE

Internet connection- Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Further, Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Please note that Shareholders / Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

Contact Details- In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or Contact on: - **Tel: 022-49186175.**

2. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/ Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through their registered email address to goelsharwan@hotmail.com with copies marked to the Company at cs@vrl.net.in and to its RTA at enotices@linkintime.co.in.
3. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of

Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited (Intime) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by Intime.

7. The Notice calling the AGM has been uploaded on the website of the Company in the Investors Section in the Annual Reports tab. The complete Annual Report is also available in the same section. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Ltd and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of Link Intime (agency for providing the Remote e-Voting facility) i.e. <https://www.linkintime.co.in>.
8. This AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020.
9. The recorded transcript of the forthcoming AGM on 28th September, 2020, shall also be made available on the website of the Company www.v2retail.com in the Investors Section, as soon as possible after the Meeting is over.
10. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID cs@vrl.net.in till the date of AGM.
11. i. Members holding shares in physical form are requested to intimate any change in their residential address to Link Intime India Private Limited, Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Registrars and Transfer Agent of the Company, so that change could be effected in the Register of Members.
ii. Members who are holding shares in demat mode are requested to notify any change in their residential address, Bank A/c details and/

or email address immediately to their respective Depository Participants.

- iii. To ensure all communications/ monetary benefits are received promptly, all shareholders holding shares in physical form are requested to notify to the Company, his/ her PAN/change in their address/bank details / email id/mobile number instantly by filling the KYC Form and by sending at the Registered Office of the Company at Khasra No. 928, Extended Lal Dora Abadi, Village-Kapashera, South West Delhi, New Delhi - 110 037
12. The annual accounts of the subsidiary company along with the related detailed information are available for inspection at the Registered Office of the Company and of the subsidiary concerned and copies will be made available to Shareholders of V2 Retail Limited and its subsidiary company upon request.
13. Corporate Members are encouraged to attend the AGM through their Authorized Representatives. They are requested to send by email, a certified copy of the Board Resolution/ Power of Attorney authorizing their representatives to attend and vote on their behalf in the Meeting.
14. Special business are being transacted at 19th (Nineteenth) Annual General Meeting hence explanatory Statement as required under Section 102 of Companies Act, 2013, relating to the special business to be transacted at the meeting is applicable and annexed herewith.
15. 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.
16. 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.
17. All documents referred to in the notice are open for inspection by the members and can be availed by writing an email at cs@vrl.net.in to the Company.
18. 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.
19. 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.

20. 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").
21. 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.
22. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday September 22, 2020 to Monday September 28, 2020 (both days inclusive).
23. 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.
24. 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.
25. 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.
26. 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.

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.

27. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Share Transfer Agent (RTA), Link Intime India Private Limited, Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Tel : 011 - 4141 0592/93/94, Email : delhi@linkintime.co.in.

28. 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 as per the instructions mentioned below:

Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration- fill in the details and upload the required documents and submit.

OR

(ii) *In the case of Shares held in Demat mode:*

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

29. In terms of MCA circulars, the Notice of AGM along with annual report is being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s).

30. VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility for voting by electronic means for all its Members to enable them to cast their vote electronically and the business may be transacted through such e-voting (remote e-voting). A member may exercise his/her vote at the General Meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of the aforesaid Rule.

The Company has engaged the services of Link Intime India Private Limited (LinkIntime) 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 :

The voting period begins on Friday, September 25, 2020 at 9.00 a.m. and ends on Sunday, September 27, 2020 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 Monday, September 21, 2020 may cast their vote electronically. The e-voting module shall be disabled by Link Intime for voting thereafter.

Remote e-Voting Instructions for shareholders:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LI IPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

1. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

A. User ID: Enter your User ID

- Shareholders/members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

- Shareholders/members holding shares in **physical form shall provide Event No + Folio Number registered with the Company**

B. PAN: Enter your 10-digit Permanent Account Number (PAN)

(Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.)

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/members holding shares in **CDSL demat account shall provide either 'C' or 'D', above**
- Shareholders/members holding shares in **NSDL demat account shall provide 'D', above**
- Shareholders/members holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above**

2. Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%^&*), at least one numeral, at least one alphabet and at least one capital letter).

3. Click "confirm" (Your password is now generated).

NOTE: If Shareholders/members are holding shares in Demat form and have registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company

then they can use their existing password to login and they have to follow the following Instructions:

1. Click on 'Login' under 'SHARE HOLDER' tab.
2. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
3. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
4. E-voting page will appear.
5. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link)
6. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
7. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same

If you have Forgotten the Password:

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.

Note:

- In case shareholders/members are having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, atleast one special character (@!#\$%^&*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000

The official responsible to address the grievances connected with voting by electronic means - Mr. Sudhir Kumar, Company Secretary & Compliance Officer, Ph. No. 011-41771850, email : cs@vrl.net.in

31. The Board of Directors has appointed Mr. Sharwan Kumar Goel, (Kumar Sarwan & Co.) Chartered Accountant in practice (Firm Registration No.027892N.) as the Scrutinizer, for conducting the voting and remote e-voting process in a fair and transparent manner.
32. 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.
33. The result of voting shall be declared by the Chairman of the meeting on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.v2retail.com and on the website of the Link Intime immediately after the result is declared by the Chairman.

34. The result will also be communicated to stock exchange where the shares of the Company are listed.
35. In terms of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mrs. Uma Agarwal, Director (00495945), retires by rotation at the ensuing Meeting and being eligible, offers herself for re-appointment. The Board of

Directors of the Company recommends her re-appointment.

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

Name and Age of Director	Mrs. Uma Agarwal
Date of Birth	15.11.1975
Age	45 Years
DIN	00495945
Date of first Appointment in board	23.07.2001
Expertise in Specific Functional Area	She has vast experience in Retail Industry
Qualifications	Graduate in Art
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	Appointed as Whole Time Director being eligible to retire by rotation and remuneration is upto ₹500,000 (Five Lacs) Per Month
Last Drawn Remuneration	₹ 5,00,000 Per Month
Directorship in Other Companies as on date	Ricon Commodities Pvt. Ltd. Unicon Marketing Pvt. Ltd. Vishal Waterworld Private Limited Sunita Fashion Private Limited Rishikesh Commosales Private Limited V2 Conglomerate Limited
No. of Board Meeting attended during the year 2019-2020	5
Membership/Chairmanship of Other Public Companies Committees	-
Relationship with other Directors	Mrs. Uma Agarwal is wife of Mr. Ram Chandra Agarwal Chairman & Managing Director & mother of Mr. Akash Agarwal, Whole-time Director & CFO
Shareholding in the Company	344000 equity shares
Brief Resume & Area of Expertise	Mrs. Um Agarwal an Arts graduate, holds a good 16 years of hands on experience in Retail Industry. She is on Board of the Company since inception. Mrs. Uma Agarwal has played a significant role in scaling of the Company to new heights.

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.

Except Mr. Ram Chandra Agarwal, Mrs. Uma Agarwal, Mr. Akash Agarwal, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolution set out at Item No. 2 of the Notice.

36. In compliance with the General circular number 20/2020 issued by the MCA, Items 3 to 9 is considered unavoidable and forms part of this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3:

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting on 27th January 2020 has approved the appointment of Mr. Lalit Kumar (DIN 00025150) as Additional Director pursuant to Section 161(1) of the Companies Act, 2013 and as an Independent Director pursuant to Section 149 of the Companies Act, 2013. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Lalit Kumar will hold office only upto the date of ensuing Annual General Meeting. The appointment of Mr. Lalit Kumar as Independent Director of the Company is subject to the approval of shareholders of the Company, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment/s thereto or modification/s thereof.

The Company has received the following disclosures / declarations from Mr. Lalit Kumar (DIN 00025150) :

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

the Companies Act, 2013, in terms of Schedule IV of the Companies Act, 2013.

The Board is of the opinion that Mr. Lalit Kumar (DIN 00025150) fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Regulations and is independent from the management of the Company.

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

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Lalit Kumar (DIN 00025150) as Independent Director. Accordingly, the Board seeks approval of the members for the appointment of Mr. Lalit Kumar (DIN 00025150) as Independent Director of the Company for a term of 5 years, pursuant to section 149, 152 and other applicable provisions of the Act, and Rules made there under.

Except Mr. Lalit Kumar (DIN 00025150), no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolutions set out at item No. 3 of the Notice.

The Board recommends the resolution set forth in Item no. 3 for your approval.

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

Name and Age of Director	Mr. Lalit Kumar (DIN 00025150), 56 Years
Date of Birth	01-08-1964
Director Identification Number	00025150
Qualification	Chartered Accountant (Rank Holder) Company Secretary
Experience	He has over 30 years of working experience in India & Dubai. He has worked with multiple sector like Finance, Retail, Education & Skill Development, Infrastructure etc.
Terms and Conditions of appointment along with details of remuneration sought to be paid	Not liable to retire by rotation and Appointment for a period of Five Years
Last Drawn Remuneration	₹ 50,000/-
Date of first appointment on the Board	January 27, 2020
Shareholding in the company	Nil

Relationship with other Directors, Manager and KMP	He does not have any relationship with other directors, Manager and Key Managerial Personnel of the Company
No. of Board Meeting attended during the year	1
Directorship held in other companies	Oaktree Global Ventures Pvt Ltd Gaap Education Pvt. Ltd.
Membership/Chairmanship of the Committees across the other Companies	-
Brief Profile & Area of Expertise	He has over 30 years of working experience in India & Dubai. As an entrepreneurial profits & growth strategist he has worked with multiple sector like Finance, Retail, Education & Skill Development, Infrastructure etc. Mr. Lalit Kumar has extensive experience in Retail Industry. He was associated with various retail chain both in India and Dubai. He has also been a visiting faculty to NIFT, New Delhi.

Item No. 4:

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting on 27th January 2020 has approved the appointment of Dr. Arun Kumar Roopanwal (DIN 00406817) as an Additional Director pursuant to Section 161(1) of the Companies Act, 2013 and as an Independent Director pursuant to Section 149 of the Companies Act, 2013. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Dr. Arun Kumar Roopanwal will hold office only upto the date of ensuing Annual General Meeting. The Appointment of Dr. Arun Kumar Roopanwal as an Independent Director of the Company is subject to the approval of shareholders of the Company, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment.

The Company has received the following disclosures / declarations from Dr. Arun Kumar Roopanwal (DIN 00406817) :

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

The Board is of the opinion that Dr. Arun Kumar Roopanwal (DIN 00406817) fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Regulations and is independent from the management of the Company.

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

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Dr. Arun Kumar Roopanwal (DIN 00406817) as Independent Director. Accordingly, the Board seeks approval of the members for the appointment of Dr. Arun Kumar Roopanwal (DIN 00406817) as Independent Director of the Company for a term of 5 years, pursuant to section 149, 152 and other applicable provisions of the Act, and Rules made there under.

Except Dr. Arun Kumar Roopanwal (DIN 00406817), no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolutions set out at Item No. 4 of the Notice.

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

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

Name and Age of Director	Dr. Arun Kumar Roopanwal (DIN 00406817) 69Years
Date of Birth	23-03-1951
Director Identification Number	00406817
Qualification	M.Sc. in Chemistry M.Tech in Textiles from Indian Institute of Technology (IIT), Delhi Ph.D in Textiles from Indian Institute of Technology (IIT) Delhi
Experience	He has over 35 years of extensive experience in working with various retail companies
Terms and Conditions of appointment along with details of remuneration sought to be paid	Not liable to retire by rotation and Appointment for a period of Five Years
Last Drawn Remuneration	₹ 50,000/-
Date of first appointment on the Board	January 27, 2020
Shareholding in the company	Nil
Relationship with other Directors, Manager and KMP	He does not have any relationship with other directors, Manager and Key Managerial Personnel of the Company
No. of Board Meeting attended during the year	1
Directorship held in other companies	-
Membership/Chairmanship of the Committees across the other Companies	-
Brief Profile & Area of Expertise	He has over 35 years of extensive experience in working with various retail companies. He is having vast experience in the field of marketing, product development, business development, strategic planning and administration. He was an Independent Director on the Board of Cantabil Retail India Limited

Item No. 5:

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting on 27th January 2020 has approved the appointment of Mrs. Archana Surendra Yadav (DIN 07335198) as an Additional Director pursuant to Section 161(1) of the Companies Act, 2013 and as an Independent Director pursuant to Section 149 of the Companies Act, 2013. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mrs. Archana Surendra Yadav (DIN 07335198) will hold office only upto the date of ensuing Annual General Meeting. The appointment as an Independent Director of the Company is subject to the approval of shareholders of the Company, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of

Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment.

The Company has received the following disclosures / declarations from Mrs. Archana Surendra Yadav (DIN 07335198) :

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

the Companies Act, 2013 in terms of Schedule IV of the Companies Act, 2013.

The Board is of the opinion that Mrs. Archana Surendra Yadav (DIN 07335198) fulfils the conditions for her appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Regulations and is independent from the management of the Company.

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

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Archana Surendra Yadav (DIN

07335198) as Independent Director. Accordingly, the Board seeks approval of the members for the appointment of Mrs. Archana Surendra Yadav (DIN 07335198) as Independent Director of the Company for a term of 5 years, pursuant to section 149, 152 and other applicable provisions of the Act, and Rules made there under.

Except Mrs. Archana Surendra Yadav (DIN 07335198), no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolutions set out at Item No. 5 of the Notice.

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

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

Name and Age of Director	Mrs. Archana Surendra Yadav (DIN 07335198) 44 Years
Date of Birth	30-12-1976
Director Identification Number	07335198
Qualification	Chartered Accountant MBA from XIMB in Finance FAFP from ICAI GST Certified faculty from ICAI
Experience	More than 14 years of experience as Chartered Accountant in practice, having expertise in GST, Income Tax, International Tax & Corporate Audit
Terms and Conditions of appointment along with details of remuneration sought to be paid	Not liable to retire by rotation and Appointment for a period of Five Years
Last Drawn Remuneration	₹ 50,000/-
Date of first appointment on the Board	January 27, 2020
Shareholding in the company	Nil
Relationship with other Directors, Manager and KMP	He does not have any relationship with other directors, Manager and Key Managerial Personnel of the Company
No. of Board Meeting attended during the year	1
Directorship held in other companies	J Kumar Infraprojects Limited Resonance Specialties Limited

Membership/Chairmanship of the Committees across the other Companies	Member Audit Committee : J Kumar Infraprojects Limited Member Nomination & Remuneration Committee : J Kumar Infraprojects Limited Chairperson Audit Committee : Resonance Specialties Limited Member Nomination & Remuneration Committee : Resonance Specialties Limited
Brief Profile & Area of Expertise	A Chartered Accountant in practice with more than 14 years of experience as having expertise in GST, Income Tax, International Tax & Corporate Audit. She served as Financial Advisor to the autonomous body M/s National Institute of Solar Energy, under Ministry of New & Renewable Energy. She has also worked with various MNC's as Management Consultant, Service Tax Consultant & Direct Tax advisor. She was associated as GST Faculty by ICAI for GST knowledge sharing across India.

Item No. 6, 7 & 8:

Due to situation emanating because of the Covid-19 pandemic and in view of current business conditions of the Company, it is proposed before the shareholders for revision in terms of remuneration of the following Executive Directors of the Company for F.Y. 2020-21 by adding the word **upto** for the remuneration payable to them :

- i) Mr. Ram Chandra Agarwal, Chairman & Managing Director(DIN 00491885);
- ii) Mr. Akash Agarwal, Whole Time Director & Chief Financial Officer (DIN 03194632);
- iii) Mrs. Uma Agarwal, Whole Time Director (DIN 00495945).

Mr. Ram Chandra Agarwal (DIN 00491885), has been appointed/re-appointed as Chairman & Managing Director of the Company w.e.f. November 22, 2016 for a term of 5 years on the remuneration of ₹ 5 Lakhs per month along with applicable perquisites, pursuant to the special resolution passed by the shareholders of the Company at its meeting held on 29 September, 2017.

Mr. Akash Agarwal (DIN 03194632) has been appointed as Whole-time Director of the Company w.e.f. 29th September, 2017 for a term of 5 years pursuant to the special resolution passed by the shareholders of the Company at its meeting held on 29 September, 2017, the shareholders at its meeting held on 7th September, 2019 had approved the remuneration of ₹ 5 Lakhs per month along with applicable perquisites payable to Mr. Akash Agarwal as Whole-time Director. Mr. Akash Agarwal has been also designated as CFO of the Company w.e.f. 25.06.2020 as approved by the Board of Directors at its meeting held on 25.06.2020.

Mrs. Uma Agarwal(DIN 00495945) has been appointed/re-appointed as Whole-time Director of the Company on a remuneration of ₹ 5 Lakhs per month along with applicable perquisites pursuant to the shareholder approval dated 29th September, 2017.

Due to situation emanating because of the Covid-19 pandemic and in view of current business conditions of the Company the Board of Directors at its meeting held on 25.06.2020 and pursuant to the recommendation of Nomination & Remuneration Committee, subject to the approval of shareholders has approved the revision in remuneration to the above Executive Directors of the Company by adding the word **upto** for the remuneration payable to them.

Therefore, in view of current business conditions it is proposed before the shareholders to approve the monthly remuneration of **upto** ₹ 5 Lakhs per month, instead of word ₹ 5 Lakhs per month to Mr. Ram Chandra Agarwal, Chairman & Managing Director (DIN 00491885), Mr. Akash Agarwal, Whole Time Director & Chief Financial Officer (DIN 03194632) and Mrs. Uma Agarwal, Whole-time Director (DIN 00495945) of the Company, with a liberty to the Board of Directors to vary/modify the remuneration payable to them for FY2020-21, subject to overall approved limits of ₹ 5 Lakhs per Month as per item no. 6, 7 & 8 of the notice. All other terms & conditions of appointment of above Directors as per previous shareholders resolutions/approval shall remain the same.

Except Mr. Ram Chandra Agarwal. Mrs. Uma Agarwal and Mr. Akash Agarwal, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolutions set out at Item No. 6, 7 & 8 of the Notice.

The Board recommends the Resolutions set forth in Item No. 6, 7 & 8 for your approval

Item No. 9:

In terms of the provisions of Section 197, read with Schedule V of the Companies Act, 2013 the profits of the Company for the FY 2019-20 were inadequate to pay the remuneration to Managing Director & Whole - time Directors of the Company, and remuneration paid by the Company to Mr. Ram Chandra Agarwal, Chairman & Managing Director (DIN 00491885) and Mr. Akash Agarwal, Whole-time Director (DIN 03194632) and Mrs. Uma Agarwal, Whole-time Director (DIN 00495945) during the FY 2019-20 was in excess of Limit as prescribed under Schedule V, along with other provisions/rules of the Company Act, 2013, therefore it is proposed to the approval of shareholders for ratification/waiver of excess remuneration paid to the Managing Director & Whole-Time Directors of the Company during the FY 2019-20 in terms of the provisions of Section

197 and Schedule V, along with other applicable provisions of Companies Act, 2013.

The Board of Directors of the Company at its meeting held on 25 June, 2020 has upon the recommendation of the Nomination & Remuneration Committee of the Company has also recommended and approved the same, subject to the approval of shareholder and other approval, as may be required.

Except Mr. Ram Chandra Agarwal, Mrs. Uma Agarwal and Mr. Akash Agarwal, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolutions set out at Item No. 9 of the Notice.

The relevant disclosures pursuant to Schedule V of Companies Act, 2013 along with applicable rules thereunder are given below :

I. General information:

1. Nature of Industry	Retail	
2. Date or expected date of commencement of commercial production	N.A.	
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.	
4. Financial performance based on given indicators	Revenue FY 19-20 ₹ 701 Cr. FY 18-19 ₹ 748 Cr. FY 17-18 ₹ 559 Cr	PAT FY 19-20 ₹ 10.15 Cr PAT FY 18-19 ₹ 20.04 Cr PAT 17-18 ₹ 31 Cr
5. Foreign investments or collaborations, if any	Nil, only SEBI Registered FPI, NRI holding	

II. Information about the appointee:

1) Name	Mr. Ram Chandra Agarwal (DIN 00491885)	Mr. Akash Agarwal (DIN 03194632)	Mrs. Uma Agarwal (DIN 00495945)
2) Background details	Mr. Ram Chandra Agarwal started his retail journey in early 1994 from Kolkata, India. He has over 30 years of entrepreneurial and business acumen. Being one of the key pioneers in India, Mr. Ram introduced the concept of value retailing in 2001. Mr. Ram Chandra Agarwal has been the chairman & Managing Director of V2 Retail since July 2011.	A Bachelor's of Business Administration from Lancaster University, UK. He has more than 7 years of experience in retail industry. A strong personality holds a decision making authority and directing the management towards the expansion and its 100% execution. .	Mrs. Uma Agarwal holds a good 16 years of hands on experience in Retail Industry, Mrs. Uma Agarwal is on Board of V2 Retail since inception.
3) Past remuneration	₹ 60 lakhs (FY2018-19)	₹ 36 lakhs (FY2018-19)	₹ 60 lakhs (FY2018-19)

4) Recognition or awards	Nil	Nil	Nil
5) Job profile and his suitability	Chairman & Managing Director of the Company and highly suitable for profile	Whole-time Director & CFO of the Company and highly suitable for the profile	Whole-time Director of the Company and highly suitable for profile
6) Remuneration proposed	₹ 60 lakhs per annum (Monthly - ₹ 5 lakhs)	₹ 60 lakhs per annum (Monthly - ₹ 5 lakhs)	₹ 60 lakhs per annum (Monthly - ₹ 5 lakhs)
7) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration is comparative with respect to retail industry & profile	The proposed remuneration is comparative with respect to retail industry & profile	The proposed remuneration is comparative with respect to retail industry & profile
8) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Chairman & Managing Director and promoter of the Company, father of Mr. Akash Agarwal Whole-time Director & CFO and husband of Mrs. Uma Agarwal, Whole-time Director	Whole - time Director & CFO and promoter of the Company, Son of Mr. Ram Chandra Agarwal, Chairman & Managing Director and Mrs. Uma Agarwal, Whole-time Director	Whole-time Director and promoter of the Company, wife of Mr. Ram Chandra Agarwal, Chairman & Managing Director & mother of Mr. Akash Agarwal, Whole-time Director & CFO

III. Other information:

(1) Reasons of loss or inadequate profits	Performance/profits impacted due to lockdown by govt. and Covid-19 pandemic
(2) Steps taken or proposed to be taken for improvement	Various steps taken by the Company to limits the cost/cost reductions and to increase the sale/revenue
(3) Expected increase in productivity and profits in measurable terms	Expecting revenue growth post lifting of lock down at around 15% to 20% in near future

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

**Sudhir Kumar
Company Secretary & Compliance Officer
M. No. A25125**

Registered Office :
Khasra No. 928, Extended Lal Dora Abadi,
Kapashera, South West Delhi,
New Delhi – 110037

Date: 19-08-2020
Place: New Delhi

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report on the business and operations of the Company, together with the audited financial statements for the financial year ended March 31, 2020.

1. State of company Affairs

The Financial Year 2019-20 was yet another challenging year marked with significantly increased competitive intensity and weakened consumer sentiment followed

by the disruptions caused due to the Covid 19 pandemic in Q4 FY 19-20. However, your Company continued to perform consistently well in these challenging times and deliver better results. During the year your Company reported total revenue of ₹ 703.48 Crores, and PAT of ₹ 10.15 Crores on a standalone basis.

In order to strengthen its market share, the company have added 4 new stores and also taken steps to improve the supply chain network. Besides, efficiency improvement and cost optimisation have been followed vigorously across all the functions of the organisation.

Financial Results

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

(₹ in lakhs)

Particulars	Standalone		Consolidated
	For the Year ended 31.03.2020	For the Year ended 31.03.2019	For the Year ended 31.03.2020
Revenue from operation	70,122.12	74,841.94	70,122.62
Other Income	226.59	989.08	247.52
Profit before Interest, Depreciation & Taxation	7,830.29	5,675.23	7,735.42
Finance Costs	2,992.53	65.99	3,025.12
Depreciation and amortisation expenses	5,045.09	1,442.32	5,097.71
Profit/ (Loss) before Tax and Exceptional Items	(207.33)	4,166.92	(387.41)
Exceptional Items	(1,254.51)	2,661.89	(1,254.51)
Profit / (Loss) before Tax	1,047.18	1,505.03	867.10
Less : Provision for Taxation			
Current Tax	-	76.05	-
Deferred Tax	32.65	(620.31)	(11.07)
Profit / (Loss) for the year (1)	1,014.53	2,049.29	878.17
Total other Comprehensive income (2)	(51.39)	(6.42)	(51.39)
Total (1+2)	963.14	2,042.87	826.78

2. Operations Review

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

As on March 31, 2020, the number of “V2” stores was 76 (Seventy Six) spread across 17 state and 71 cities with total retail area in excess of 8.4 lacs sq. ft. The Company added 4 (Four) and closed 5(Five) stores during the year.

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

3. Dividend

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

4. Transfer to Reserve

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

5. Material changes and commitments

No material changes and commitments have occurred from the date of close of the financial year till the date of this Report, which might affect the financial position of the Company.

Impact of Novel Covid -19 Pandemic

- Due to novel COVID-19 outbreak, Government of India announced a nationwide lockdown of 21 days with effect from March 25, 2020, which got extended from time to time to combat the spread of the COVID-19 virus. In compliance with various directives issued by the State and Central authorities, your Company suspended the operations at stores and shut the offices and warehouse with a view to safeguard the risks to the health of the employees and workers of the Company.
- During this period, the Company took every possible precaution to ensure safety of its staff across the

country. The Company has started to slowly resume its operations across the country in line with guidance issued by Ministry of Home Affairs (MHA) and local authorities. Each store is being opened with utmost precautions, implementing the highest standards and protocols on safety and hygiene to make them absolutely safe for employees and consumers.

The disruption in operations due to Covid 19 pandemic in March 2020 negatively impacted our financial performance for the fourth quarter and consequently for the full financial year 2019-20 and will also have a bearing on Q1 of FY 21. Although the external environment presents a slightly worrisome picture, we are confident and prepared to handle these uncertainties.

6. Share Capital

The paid - up share capital of the Company was increased from ₹3,407.40 Lacs to 3,410.50 Lakhs as on March 31, 2020.

During the year the Company made an allotment of 31,008(Thirty One Thousand & Eight) Equity shares at an exercise price (Face Value) of ₹ 10 each to respective eligible employee pursuant to exercise of employee stock options under V2R - Employee Stock Option Scheme 2016 (“ESOP 2016”), amounting to ₹3.10 Lakhs.

7. Transfer to Investor Education and Protection Fund

Pursuant to the provisions of Section 125 of the Companies Act, 2013, your Company has not transferred any amount during the year 2019-20 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, 2020 are as follows and respective disclosures are displayed on the website of the company i.e. www.v2retail.com.

Particulars	Details
Date of Shareholders Approval	September 30, 2016
Number of Options	12,44,380 (Twelve lakhs forty four thousand three hundred eighty) options to be convertible into equal number of fully paid up Equity Shares of the Company of face value of ₹ 10 each.

Number of options outstanding at the beginning of the year	98,630
Number of options granted during the year	2,50,000
Number of options forfeited / lapsed	27,447
Number of options vested during the year	31,008
Number of options exercised during the year	31,008
Number of shares arising as a result of exercise of options	31,008
Money realized by exercise of options	₹ 3,10,080
Number of options outstanding at the end of the year	2,90,175
Number of options exercisable at the end of the year	2,90,172
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, 2020:

Particulars	Details
Key Managerial Personnel	Manshu Tandon, Chief Executive Officer Option granted during the year : 2,50,000
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, 2020. However, Company is planning to broaden its operations by adding new retail stores and enhancing our online presence 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.

The Board of Directors of the Company has appointed M/s H Dangi and Company (FRN No.08143C) Chartered Accountants, having office at 406, Shalimar Corporate Centre, 8/3, South Tukoganj, Indore (M.P), as the Internal Auditor of the Company to conduct the Internal Audit Functions for Financial Year 2019-20.

A summary of all significant findings by the audit department along with the follow-up actions undertaken thereafter was 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 34 of SEBI (LODR) Regulations, 2015 is annexed with the Annual Accounts of the Company.

15. Subsidiary companies, joint ventures and associate companies

During the year under review a wholly owned subsidiary of the Company namely M/s V2 Smart Manufacturing Private Limited was incorporated on October 25, 2019. Except this, your Company had no subsidiary and joint venture during the financial year 2019-20. Further, there are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

Pursuant to the provisions of section 129(3) of the Act read with rule 5 of Companies (Accounts) Rules, 2014, a statement containing salient features of Financials of the subsidiary in Form AOC-1 is annexed in the Annual Report.

The Company has adopted a Policy for determining the criteria of material subsidiaries which is available on Company's website at www.v2retail.com

16. Consolidated financial statements

In accordance with the provisions of Section 129(3) of the Act and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"), the Consolidated Financial Statements form part of this Annual Report and will also be laid before the ensuing Annual General Meeting of the Company. The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statement

The Company will make available the said financial statements and related information of the Subsidiary upon written request by any member of the Company. These financial statements are kept open for inspection by any member at the Registered Office of the Company and the Subsidiary Company and are also be available at website of the Company www.v2retail.com.

The consolidated profit and loss account for the period ended 31st March, 2020, includes the profit and loss account for the subsidiary for the financial year ended 31st March, 2020. The Board of Directors of the Company has, at its Meeting held on 25th June, 2020, given consent for not attaching the Balance Sheets of the subsidiary concerned.

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 and SS-2 with respect to Board meetings and General meetings respectively. The Company is in compliance with the same.

19. Auditors and Auditors' Report

Statutory audit

Your Company's Auditors, M/s. Walker Chandiok & 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 of the Company held on 29th September, 2017, for a period of Five Years till the conclusion of the 21st Annual General Meeting of the Company.

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 4 to the accompanying financial results, the Holding Company's other equity as at 31 March 2020 includes an amount of ₹ 365.36 lakh in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Holding Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate

audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial results. This matter was also modified in our audit report on the financial results for the year ended 31 March 2019.

Management Response: The Company restructured its business in the financial year 2010-11 resulting in creation of capital reserve amounting to ₹ 60,523.24 lakh. The aforementioned reserve has been reconciled except for ₹ 365.36 lakh 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 5 to the accompanying financial results, the Company's contingent liabilities as at 31 March 2020 include an amount of ₹2,455.18 lakh relating to litigations pending with various authorities, for which the Holding Company's management has not been able to provide necessary details and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts including management's evaluation of likely outcome of such litigations in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and loss as at and for the year then ended. This matter was also modified in our audit report on the financial results for the year ended 31 March 2019.

Management Response: Out of contingent liabilities existing as at 31 March 2020, certain liabilities aggregating to ₹2,455.18 lakh 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 2019-20. The secretarial audit report certified by the secretarial auditors, in the specified form MR-3 is annexed herewith and forms part of this report and **enclosed as Annexure I**. The secretarial audit report does not contain any qualifications, reservations or adverse remarks.

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

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

21. Conservation energy, technology and foreign exchange outgo

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

22. Extract of Annual Returns

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

23. Corporate social responsibility

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

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are furnished in **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 Agarwal (DIN 00495945), Whole-time Director is liable to retire by rotation at the 19th Annual General Meeting "AGM" and being eligible, offer herself for reappointment.

During the year under review Mr. Harbir Singh Sidhu (DIN 01943424) was appointed as Additional Independent Director of the Company w.e.f. April 30, 2019, further Mr. Lalit Kumar (DIN 00025150), Dr. Arun Kumar Roopanwal,

(DIN 00406817) and Mrs. Archana Surendra Yadav (DIN 07335198) were also appointed as Additional Independent Directors of the Company w.e.f. January 27, 2020.

During the year Mr. Akash Agarwal was appointed as CEO of the Company w.e.f. April 30, 2019. Mr. Akash Agarwal subsequently resigned as CEO of the Company w.e.f. January 2, 2020. Mr. Manshu Tandon has been appointed as CEO (KMP) of the Company w.e.f. January 27, 2020 and Mr. Akash Agarwal Whole time Director (DIN 03194632) of the Company has been appointed/ designated as CFO of the Company w.e.f. June 25, 2020 along with continuation as Whole-time Director of the Company.

During the year under review Mr. Ravinder Kumar Sharma (DIN06865804) Independent Director has retired from the Board of Directors of the Company w.e.f. April 13, 2019 due to completion of his term of five year as Independent Director of the Company, further Mr. Siya Ram (DIN 07350695) resigned as Independent Director of the Company w.e.f. January 03, 2020, Mr. Jitendra (DIN 07905191) and Mr. Lalan Yadav, (DIN 07578390) resigned as Independent Directors of the Company w.e.f. January 27, 2020.

During the year Mr. Vipin Kaushik resigned as CFO of the Company w.e.f. July 15, 2019.

During the year under review Mr. Umesh Kumar, resigned as Company Secretary & Compliance Officer of the Company w.e.f. November 30, 2019 and Ms. Jagpreet Kaur was appointed as Company Secretary w.e.f. January 02, 2020, subsequently Ms. Jagpreet Kaur resigned as Company Secretary & Compliance Officer of the Company w.e.f. June 17, 2020 and Mr. Sudhir Kumar was appointed as Company Secretary & Compliance Officer of the Company w.e.f. June 25, 2020.

The Board of Directors of the Company place on record its appreciation for contribution made by the Directors, KMPs to the Company, who had resigned from the Company during the year.

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 Directors proposed to be reappointed, is provided in the Notice of the Annual General Meeting forming part of the Annual report.

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

1. Mr. Ram Chandra Agarwal: Chairman & Managing Director
2. Smt. Uma Agarwal: Whole-time Director
3. Mr. Akash Agarwal : Whole-time Director & CFO*
4. Mr. Manshu Tandon: Chief Executive Officer**
5. Mr. Sudhir Kumar: Company Secretary & Compliance Officer***

* Designated/appointed as CFO w.e.f. June 25, 2020

** Appointed w.e.f. January 27, 2020.

***Appointed w.e.f. June 25, 2020

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

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

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

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

26. Performance evaluation

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder, Regulation 17(10) of 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 five meetings during the year on April 30, 2019; May 10, 2019; July 29, 2019, October 25, 2019 and January 27, 2020. 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 whistleblower policy (vigil mechanism) and procedures for its Directors and employees; details of which are provided in the Report on Corporate Governance which forms part of this report. The policy on vigil mechanism may be accessed on the Company's website at: www.v2retail.com

31. Remuneration policy

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

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

32. Related party transactions

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

Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

33. Particulars of loans, guarantees and investments

During the financial year ended March 31, 2020 the Company has made an investment in accordance with section 186 of the Companies Act 2013 details 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 VI**.

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 Secretary in Practice 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, 2020, 2,58,98,514 Equity Shares stand with the NSDL Account and 81,36,422 Equity Shares stand with the CDSL and 70,090 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

During the year under review there was no instance of any material order passed by any regulators/courts/tribunals impacting the *going concern* status of the Company.

41. Dividend Distribution Policy

The Company has formulated a dividend distribution policy which is enclosed as **Annexure VII** and the same

is also displayed on the website of the company i.e. www.v2retail.com.

42. Industrial Relations

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

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

43. General

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

- a) Issue of the equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to Directors or employees except allotment of shares to respective employees pursuant to ESOP Scheme of the Company.
- c) Purchase of or subscription for shares in the Company by the employees of the Company except ESOP.
- d) Disclosure under Section 197(14) of the Act: There is no receipt of any remuneration or commission from any of its Subsidiary Companies by the Managing Director or the Whole-Time Director of the Company.

44. Directors' Responsibility Statement

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the Internal, Statutory, and Secretarial Auditors including Audit of

Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the financial year 2019-20.

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, in relation to the audited financial statements of the Company for the year ended March 31, 2020 confirm that:

- 1) In the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed and no material departures have been made therefrom.
- 2) 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, 2020 and of the profit of the Company for the year ended on that date.
- 3) The Directors have taken proper and sufficient care to the best of their knowledge and ability 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.
- 4) The annual accounts were prepared on a *going concern* basis.
- 5) 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.
- 6) The Directors have devised a proper system to ensure compliance with the provisions of all applicable laws and the same are adequate and operating effectively.

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

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

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

During the year an application u/s 9 Insolvency & Bankruptcy Code was filed by an operational creditor before NCLT, New Delhi, against the Company, subsequently NCLT vide its order dated 10/07/2020 has withdrawn & dismissed the said CIRP initiated against the Company.

47. Business Responsibility Report (BRR)

Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended mandate

the inclusion of the BRR as part of the Annual Report for top 1,000 listed entities based on market capitalization. In compliance with the Regulation 32(f) of the Listing Regulations, the Business Responsibility Report of the Company for the year ended March 31, 2020 shall form part of the Annual Report of the Company.

48. 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
DIN00491885

Place: New Delhi
Date: 19.08.2020

ANNEXURE - I

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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, 2019 to 31st March, 2020 ("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, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under along with the provisions of the Companies Act, 1956 to the extent as applicable as amended;
- (ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made there under as amended;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under as amended;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")
 - a. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;

- b. SEBI(Prohibition of Insider Trading) Regulations, 2015 and Rules there under as amended;
- c. SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended;
- d. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on 02nd September, 2015 as amended
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **(Not Applicable)**
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients as amended;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable)**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable)**
- j. The Employees' Provident Funds And Miscellaneous Provisions Act, 1952 as amended
- k. The Employees State Insurance Act, 1948 as amended

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

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

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

We report that:

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

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

We further report that, the Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Mr. Ravinder Kumar Sharma has retired as Independent Director of the Company w.e.f. 13.04.2019. Mr. Harbir Singh Sidhu has been appointed as additional Director (Independent Director) of the Company w.e.f. 30.04.2019. Mr. Akash Agarwal has been appointed as CEO of the Company w.e.f. 30.04.2019. Mr. Vipin Kaushik Agarwal has resigned as CFO of the Company w.e.f. 15.07.2019.

Mr. Umesh Kumar has resigned as Company Secretary of the Company w.e.f 30.11.2019. Mr. Akash Agarwal has resigned as CEO of the Company w.e.f. 02.01.2020. Mrs. Jagpreet Kaur has been appointed as Company Secretary of the Company w.e.f. 02.01.2020. Mr. Siya Ram has resigned as Director of the Company w.e.f 03.01.2020. Mr. Manshu Tandon has been appointed as CEO of the Company w.e.f. 27.01.2020. Mr. Lalan Yadav and Mr. Jitender have resigned as Independent Directors of the Company w.e.f. 27.01.2020. Mr. Lalit Kumar, Dr. Arun Kumar Roopanwal and Mrs. Archana Surendra Yadav have been appointed as Independent Directors of the Company w.e.f. 27.01.2020.

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

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

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

- (i) Public/Rights/Preferential issue of debentures/sweat equity except, the Company has made an allotment of 31,008 (Thirty one thousand and eight) Equity shares at an exercise price (Face Value) of ₹ 10/- each to respective eligible employee pursuant to exercise of employee stock options under V2R - Employee Stock Option Scheme 2016 ("ESOP 2016"), amounting to ₹ 3.10 Lakhs on March 2, 2020.
- (ii) Redemption/Buy back of securities.
- (iii) Merger/Amalgamation/Reconstruction.
- (iv) Foreign technical collaborations.

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

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

Date: July 14, 2020
Place: New Delhi
UDIN: A043116B000449984

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

(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

(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

(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 2019-2020.

(₹)

Particulars	2019-20	2018-19
Foreign Exchange Outgo		
Travelling	1,15,526	Nil
Consultancy		Nil
Others (license fee)	22,56,777	Nil
Imports		
Raw Materials	Nil	Nil
Finished Goods	Nil	Nil
Capital Goods	Nil	Nil
Others	50,54,022	Nil
Foreign Exchange Earnings		
Earnings in foreign exchange	Nil	Nil

ANNEXURE - III

Form No. MGT-9

Extract of Annual Return as on the Financial Year ended on 31.03.2020

[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/cs@v2retail.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 Noble Height, 1st Floor, Plot No. NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi -110058 Tel No : 011-41410592 Email: delhi@linkintime.co.in Website: www.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 Class 4771 NIC Code - 47711	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S No.	Name & Address of the Company	CIN	Holding/ Subsidiary /Associate	% of Share Held	Applicable Section
1	Name : V2 Smart Manufacturing Private Limited Address : Plot in Khasra No. 928, G/F, Village Kapashera New Delhi South West Delhi DL 110037 IN	U18209DL2019PTC356730	Subsidiary	100%	Section 2(87) of Companies Act, 2013

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

i) Category-wise Share Holding

S.R No	Category of Shareholders	Shareholding at the beginning of the year (01-04-2019)				Shareholding at the end of the year (31.03.2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	37,06,911		37,06,911	10.8790	37,06,911		37,06,911	10.8691	-0.0099
(b)	Central Government / State Government(s)									
(c)	Financial Institutions / Banks									
(d)	Any Other (Specify)									
	Bodies Corporate	1,37,16,844		1,37,16,844	40.2560	1,45,79,426		1,45,79,426	42.7486	2.4926
	Sub Total (A)(1)	1,74,23,755		1,74,23,755	51.1350	1,82,86,337		1,82,86,337	53.6177	2.4827
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)									
(b)	Government									
(c)	Institutions									
(d)	Foreign Portfolio Investor									
(e)	Any Other (Specify)									
	Sub Total (A)(2)									
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	1,74,23,755		1,74,23,755	51.1350	1,82,86,337		1,82,86,337	53.6177	2.4827
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	15,26,541		15,26,541	4.4801	17,59,214		17,59,214	5.1582	0.6781
(b)	Venture Capital Funds									
(c)	Alternate Investment Funds									
(d)	Foreign Venture Capital Investors									
(e)	Foreign Portfolio Investor	35,33,008		35,33,008	10.3686	22,00,000		22,00,000	6.4507	-3.9179
(f)	Financial Institutions / Banks	14,885		14,885	0.0437	20,457		20,457	0.0600	0.0163
(g)	Insurance Companies									
(h)	Provident Funds/ Pension Funds									
(i)	Any Other (Specify)									
	Sub Total (B)(1)	50,74,434		50,74,434	14.8924	39,79,671		39,79,671	11.6689	-3.2235
[2]	Central Government/ State Government(s)/ President of India									
	Central Government/ State Government(s)					2,000		2,000	0.0059	0.0059
	Sub Total (B)(2)					2,000		2,000	0.0059	0.0059
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	42,30,478	7,590	42,38,068	12.4378	50,87,819	7,590	50,95,409	14.9403	2.5025
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	37,31,818	1,25,000	38,56,818	11.3189	32,29,384	62,500	32,91,884	9.6522	-1.6667
(b)	NBFCs registered with RBI	655		655	0.0019				0.0000	-0.0019
(d)	Overseas Depositories(holding DRs) (balancing figure)									
(e)	Any Other (Specify)									
	Hindu Undivided Family	3,00,904		3,00,904	0.8831	2,46,035		2,46,035	0.7214	-0.1617
	Non Resident Indians (Non Repat)	95,891		95,891	0.2814	66,880		66,880	0.1961	-0.0853
	Non Resident Indians (Repat)	1,85,210		1,85,210	0.5436	2,62,386		2,68,386	0.7693	0.2257
	Clearing Member	1,36,297		1,36,297	0.4000	1,30,707		1,30,707	0.3832	-0.0168

S.R No	Category of Shareholders	Shareholding at the beginning of the year (01-04-2019)				Shareholding at the end of the year (31.03.2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Bodies Corporate	27,61,986		27,61,986	8.1058	27,43,717		27,43,717	8.0449	-0.0609
	Sub Total (B)(3)	1,14,43,239	1,32,590	1,15,75,829	33.9726	1,17,66,928	70,090	1,18,37,018	34.7075	0.7349
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	1,65,17,673	1,32,590	1,66,50,263	48.8650	1,57,48,599	70,090	1,58,18,689	46.3823	-2.4827
	Total (A)+(B)	3,39,41,428	1,32,590	3,40,74,018	100.0000	3,40,34,936	70,090	3,41,05,026	100.0000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder									
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)									
	Total (A)+(B)+(C)	3,39,41,428	1,32,590	3,40,74,018	100.0000	3,40,34,936	70,090	3,41,05,026	100.0000	

(ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year – 2019 (01.04.2019)			Shareholding at the end of the year – 2020 (31.03.2020)			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Ricon Commodities Private Limited	69,40,000	20.3674		71,70,000	21.0233		0.6559
2	Unicon Marketing Private Limited	54,44,710	15.9791	2.2598	54,44,710	15.9645		-0.0146
3	Akash Agarwal							
4	Vishal Waterworld Pvt Ltd	10,84,134	3.1817		10,84,134	3.1788		-0.0029
5	Ram Chandra Agarwal	32,07,911	9.4145		32,07,911	9.4060		-0.0085
6	Uma Agarwal	3,44,000	1.0096		3,44,000	1.0086		-0.0010
7	Sunita Fashion Pvt Ltd	2,48,000	0.7278		2,48,000	0.7272		-0.0006
8	V2 Conglomerate Limited				6,32,582	1.8548		1.8548
9	Ramchandra Agarwal-HUF	1,55,000	0.4549		1,55,000	0.4545		-0.0004
	Total	1,74,23,755	51.1350	2.2598	1,82,86,337	53.6177		2.4827

(iii) Change in Promoters' Shareholding

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. Of shares	No of shares held	% of total shares of the company
1	Ricon Commodities Private Limited Transfer	69,40,000	20.3674	08 Nov 2019	2,30,000	69,40,000	20.3674
	At The End Of The Year					71,70,000	21.0233
2	Unicon Marketing Private Limited	54,44,710	15.9791			71,70,000	21.0233
	At The End Of The Year					54,44,710	15.9645
3	Ram Chandra Agarwal	32,07,911	9.4145			54,44,710	15.9645
	At The End Of The Year					32,07,911	9.4060
4	Vishal Waterworld Pvt Ltd	10,84,134	3.1817			32,07,911	9.4060
	At The End Of The Year					10,84,134	3.1788
5	Uma Agarwal	3,44,000	1.0096			10,84,134	3.1788
	At The End Of The Year					10,84,134	3.1788
6	Sunita Fashion Pvt Ltd	2,48,000	0.7278			3,44,000	1.0086
	At The End Of The Year					3,44,000	1.0086
7	V2 Conglomerate Limited					2,48,000	0.7272
	Transfer			15 Nov 2019	60,001	2,48,000	0.7272
	Transfer			22 Nov 2019	1,32,196	60,001	0.1759
						1,92,197	0.5635

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. Of shares	No of shares held	% of total shares of the company
	Transfer			14 Feb 2020	1,00,810	2,93,007	0.8591
	Transfer			28 Feb 2020	25,150	3,18,157	0.9329
	Transfer			06 Mar 2020	1,68,054	4,86,211	1.4256
	Transfer			13 Mar 2020	1,46,371	6,32,582	1.8548
	At The End Of The Year					6,32,582	1.8548
8	Ram Chandra Agarwal - HUF	1,55,000	0.4549			1,55,000	0.4545
	At The End Of The Year					155000	0.4545
9	Akash Agarwal						
	At The End Of The Year						

(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 01.04. 2019		Transactions during the year		Cumulative Shareholding at the end of the year 31.03.2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. Of Shares	No. Of Shares Held	% of Total Shares of the Company
1	INDIA 2020 FUND II, LIMITED	22,00,000	6.4565			22,00,000	6.4507
	AT THE END OF THE YEAR					22,00,000	6.4507
2	BENNETT, COLEMAN AND COMPANY LIMITED	18,34,503	5.3839			18,34,503	5.3790
	AT THE END OF THE YEAR					18,34,503	5.3790
3	SBI SMALL CAP FUND	15,26,541	4.4801			3,13,000	0.9186
	Transfer			12 Apr 2019	53	15,26,594	4.4762
	Transfer			26 Apr 2019	3,349	15,29,943	4.4860
	Transfer			03 May 2019	35,751	15,65,694	4.5908
	Transfer			10 May 2019	67,107	16,32,801	4.7876
	Transfer			17 May 2019	269992	19,02,793	5.5792
	Transfer			07 Feb 2020	(1,11,525)	17,91,268	5.2522
	Transfer			14 Feb 2020	(28,900)	17,62,368	5.1675
	Transfer			28 Feb 2020	(3,154)	17,59,214	5.1582
	AT THE END OF THE YEAR					17,59,214	5.1582
4	SACHIN KASERA	1,00,000	0.2935			1,00,000	0.2932
	Transfer			05 Jul 2019	49,886	1,49,886	0.4395
	Transfer			30 Aug 2019	114	1,50,000	0.4398
	Transfer			20 Dec 2019	25,000	1,75,000	0.5131
	Transfer			10 Jan 2020	25,000	2,00,000	0.5864
	Transfer			17 Jan 2020	1,00,000	3,00,000	0.8796
	Transfer			20 Mar 2020	(50,000)	2,50,000	0.7330
	AT THE END OF THE YEAR					2,50,000	0.7330
5	SANKARANARAYANAN SANGAMESWARAN	3,04,129	0.8926			3,04,129	0.8917
	AT THE END OF THE YEAR					3,04,129	0.8917
6	UPHAR HOMFIN PRIVATE LIMITED						0.0000
	Transfer			20 Mar 2020	2,84,833	2,84,833	0.8352
	AT THE END OF THE YEAR					2,84,833	0.8352
7	VINOD BASANTRAJ GANDHI	1,85,000	0.5429			1,85,000	0.5454
	Transfer			24 May 2019	1,000	1,86,000	0.5454
	Transfer			31 May 2019	500	1,86,500	0.5468
	Transfer			11 Oct 2019	2,000	1,88,500	0.5527

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04. 2019		Transactions during the year		Cumulative Shareholding at the end of the year 31.03.2020	
		No. of SharesHeld	% of Total Shares of the Company	Date of Transaction	No. Of Shares	No. Of Shares Held	% of Total Shares of the Company
	Transfer			07 Feb 2020	1,000	1,89,500	0.5556
	AT THE END OF THE YEAR					1,89,500	0.5556
8	SADHANA VINOD GANDHI	1,25,268	0.3676			1,25,268	0.3673
	Transfer			31 May 2019	1,500	1,26,768	0.3717
	Transfer			11 Oct 2019	6	1,26,774	0.3717
	Transfer			18 Oct 2019	2,157	1,28,931	0.3780
	Transfer			25 Oct 2019	2,069	1,31,000	0.3841
	Transfer			01 Nov 2019	46	1,31,046	0.3842
	Transfer			08 Nov 2019	2,438	1,33,484	0.3914
	Transfer			15 Nov 2019	1,016	1,34,500	0.3944
	AT THE END OF THE YEAR					1,34,500	0.3944
9	GOKUL VANIJYA PRIVATE LIMITED	1,25,176	0.3674			1,25,176	0.3670
	Transfer			19 Jul 2019	(1,000)	1,24,176	0.3641
	Transfer			20 Sep 2019	7,500	1,31,676	0.3861
	Transfer			27 Sep 2019	(7,500)	1,24,176	0.3641
	Transfer			24 Jan 2020	6,000	1,30,176	0.3817
	AT THE END OF THE YEAR					1,30,176	0.3817
10	SACHET SINGH	1,25,000	0.3668			1,25,000	0.3665
	Transfer			26 Jul 2019	1,000	1,26,000	0.3694
	Transfer			02 Aug 2019	(1,000)	1,25,000	0.3665
	Transfer			07 Feb 2020	500	1,25,500	0.3680
	Transfer			14 Feb 2020	(500)	1,25,000	0.3665
	AT THE END OF THE YEAR					1,25,000	0.3665
11	GOLDMAN SACHS INDIA LIMITED	9,54,582	2.8015			9,54,582	2.7989
	Transfer			10 Jan 2020	(34,342)	9,20,240	2.6983
	Transfer			17 Jan 2020	(3,92,433)	5,27,807	1.5476
	Transfer			24 Jan 2020	(45,76,81)	70,126	0.2056
	Transfer			31 Jan 2020	(70,126)		
	At the end of the Year						
12	ASHISH KACHOLIA	8,70,919	2.5560			8,70,919	2.5536
	Transfer			16 Aug 2019	(14,000)	8,56,919	2.5126
	Transfer			23 Aug 2019	(12,000)	8,44,919	2.4774
	Transfer			11 Oct 2019	(19,955)	8,24,964	2.4189
	Transfer			18 Oct 2019	(29,506)	7,95,458	2.3324
	Transfer			25 Oct 2019	(1,11,838)	6,83,620	2.0045
	Transfer			01 Nov 2019	(3,00,000)	3,83,620	1.1248
	Transfer			06 Dec 2019	(42,576)	3,41,044	1.0000
	Transfer			13 Dec 2019	(71,245)	2,69,799	0.7911
	Transfer			20 Dec 2019	(48,221)	2,21,578	0.6497
	Transfer			27 Dec 2019	(1,983)	2,19,595	0.6439
	Transfer			31 Dec 2019	(707)	2,18,888	0.6418
	Transfer			07 Jan 2020	(2,18,888)		
	AT THE END OF THE YEAR						
13	SUSHMITA ASHISH KACHOLIA	2,64,035	0.7749			2,64,035	0.7742
	Transfer			27 Sep 2019	(40,000)	2,24,035	0.6569

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04. 2019		Transactions during the year		Cumulative Shareholding at the end of the year 31.03.2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. Of Shares	No. Of Shares Held	% of Total Shares of the Company
	Transfer			04 Oct 2019	(5,288)	2,18,747	0.6414
	Transfer			07 Feb 2020	(8,200)	2,10,547	0.6173
	Transfer			14 Feb 2020	(2,10,547)		
	AT THE END OF THE YEAR						
14	PPF II (PMG PARTNERS FUNDS II) - PADMA INDIA FUND	1,76,929	0.5192			1,76,929	0.5188
	Transfer			22 Nov 2019	(1,05,656)	71,273	0.2090
	Transfer			13 Dec 2019	(26,318)	44,955	0.1318
	Transfer			20 Dec 2019	(44,955)		
	AT THE END OF THE YEAR						

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholders Name	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	Date of Change and No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company

Directors

1.	Mr. Lalit Kumar						
2.	Mr. Harbir Singh Sidhu						
3.	Dr. Arun Kumar Roopanwal						
4.	Mrs. Archana Surendra Yadav						
5.	Mrs. Uma Agarwal	3,44,000	1.0096	0	0	3,44,000	1.0086
6.	Mr. Ram Chandra Agarwal	32,07,911	9.4145	0	0	32,07,911	9.4060
7.	Mr. Akash Agarwal						
8.	Ms. Rochelle Susanna Dsouza						

Key Managerial Personnel

8.	Mr. Manshu Tandon						
9.	Ms. Jagpreet Kaur						

VI. INDEBTEDNESS

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

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	145.00	931.20	-	1,076.20
ii) Interest due but not paid	-	53.04	-	53.04
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	145.00	984.24	-	1,129.24
Change in Indebtedness during the financial year				
- Addition	2,263.83	-	-	2,263.83
- Reduction	(10.59)	(984.24)	-	(994.83)
Net Change	2,253.24	(984.24)	-	1,269.00

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	2,398.24	-	-	2,398.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,398.24	-	-	2,398.24

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹)

Sl. No.	Particulars of Remuneration	Name of Managing Directors and Whole-time Directors			Total
		Mr. Ram Chandra Agarwal	Mr. Akash Agarwal	Mrs. Uma Agarwal	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	58,75,000	48,75,000	58,75,000	1,66,25,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission				
	-as % of profit -Other, specify				
5	Other, please specify				
	Total (A)	58,75,000	48,75,000	58,75,000	1,66,25,000
Ceiling as per the Act		10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

B. Remuneration paid to other directors:

(₹)

S. No	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Siya Ram	Mr. Ravinder Kumar Sharma	Mr. Lalan Yadav	Mr. Jitender	Mr. Lalit Kumar	Mrs. Archana Surendra Yadav	Dr. Arun Kumar Roopanwal	Mr. Harbir Singh Sidhu	
1.	Independent Directors	64,000	8,000	80,000	80,000	50,000	50,000	50,000	1,56,000	5,38,000
	• Sitting Fee for attending board									
	• committee meetings									
	• Commission									
	• Others,									
	Total(1)	64,000	8,000	80,000	80,000	50,000	50,000	50,000	1,56,000	5,38,000

S. No	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Siya Ram	Mr. Ravinder Kumar Sharma	Mr. Lalan Yadav	Mr. Jitender	Mr. Lalit Kumar	Mrs. Archana Surendra Yadav	Dr. Arun Kumar Roopanwal	Mr. Harbir Singh Sidhu	
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify						None			
							N.A.			
	Total (2)									
	Total (B)=(1+2)	64,000	8,000	80,000	80,000	50,000	50,000	50,000	1,56,000	5,38,000
	Total Managerial Remuneration									1,71,63,000
	Overall Ceiling as per the Act						1% of Net Profits of the Company for all Non-Executive Directors			

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

(₹) In Lakhs

S. No	Particulars of Remuneration	Key Managerial Personnel					Total
		Mr. Manshu Tandon, CEO*	Mr. Umesh Kumar, Company Secretary & Compliance Officer**	Mr. Vipin Kaushik CFO***	Ms. Jagpreet Kaur, Company Secretary & Compliance Officer#		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	14.18	10.94	9.17	1.73		36.02
2.	ESOP Stock option	36.20	-	-	-		36.20
3.	Sweat Equity	-	-	-	-		-
4.	Commission -as % of profit , -Other, specify	-	-	-	-		-
5.	Other, please specify	-	-	-	-		-
	Total (A)	50.38	10.94	9.17	1.73		72.22

*Appointed w.e.f. 27.01.2020; **Resigned w.e.f. 30.11.19; ***Resigned w.e.f. 15.07.19

#Appointed w.e.f. 02.01.20 & resigned w.e.f. 17.06.20

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE – IV

Annual Report on Corporate Social Responsibility (CSR) Activities

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

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

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

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

C) 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 : 19.08.2020
 Place : New Delhi

ANNEXURE – V.

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 – VI

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 2019-20

Sl. No.	Name	Ratio of Median Remuneration
1	Mr. Ram Chandra Agarwal	53.42
2	Smt. Uma Agarwal	53.42
3	Mr. Akash Agarwal	44.33
4	*Mr. Lalit Kumar	0.45
5	Ms. Rochelle Susanna D'Souza	NA
6	**Mr. Harbir Singh Sidhu	1.42
7	*Mr. Arun Kumar Roopanwal	0.45
8	*Mrs. Archana Surendra Yadav	0.45
9	#Mr. Siya Ram	0.58
10	^Mr. Jitender	0.73
11	^^Mr. Ravinder Kumar Sharma	0.07
12	^Mr. Lalan Yadav	0.73

*appointed w.e.f. 27.01.2020; **appointed w.e.f. 30.04.2019; #resigned w.e.f. 03.01.2020;

^resigned w.e.f. 27.01.2020; ^^ceased to be Independent Director w.e.f. 13.04.2019 due to completion of tenure.

ii. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in Financial Year 2019-20

Sl. No.	Name	Designation	% Increase in remuneration
1	Mr. Ram Chandra Agarwal	Chairman & Managing Director	-
2	Smt. Uma Agarwal	Whole Time Director	-
3	Mr. Akash Agarwal	Whole Time Director & CFO	35.42
4	*Mr. Siya Ram	Independent Director	-
5	**Mr. Jitender	Independent Director	-
6	^Mr. Ravinder Kumar Sharma	Independent Director	-
7	Ms. Rochelle Susanna D'Souza	Nominee Director	-
8	**Mr. Lalan Yadav	Independent Director	-
9	#Mr. Lalit Kumar	Independent Director	-
10	##Mr. Harbir Singh Sidhu	Independent Director	-
11	#Mr. Arun Kumar Roopanwal	Independent Director	-
12	#Mrs. Archana Surendra Yadav	Independent Director	-
13	#Mr. Manshu Tandon	CEO	-
14	^^Mr. Vipin Kaushik	CFO	35.62
15	^^^Mr. Umesh Kumar	Company Secretary & Compliance Officer	25.05
16	##Ms. Jagpreet Kaur	Company Secretary & Compliance Officer	-

Appointed w.e.f. 27.01.20; ## appointed w.e.f. 30.04.19; *Resigned w.e.f. 03.01.20; ** Resigned w.e.f. 27.01.20; ^ceased to be Independent Director w.e.f. 13.04.19 due to completion of tenure; ^^Resigned w.e.f. 15.07.19; ^^^Resigned w.e.f. 30.11.19; ##appointed w.e.f. 02.01.20 & resigned w.e.f. 17.06.20

- iii. Percentage increase in the median remuneration of employees in the financial year: **5.20%**
- iv. Number of permanent employees on the rolls of Company as on March 31, 2020: **2,675**
- 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 2019-20 was 3 %. Percentage increase in the KMP, other than Directors, managerial remuneration for the year was **31.99%**.

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 2019-20 :

S. 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	Mr. Ram Chandra Agarwal	Director	58,75,000	Permanent	Graduate	30+	23-07-2001	-	9.4060	Yes Father of Mr. Akash Agarwal (WTD & CFO) & Husband of Mrs. Uma Agarwal (WTD)
2	Mrs. Uma Agarwal	Director	58,75,000	Permanent	Graduate	16+	23-07-2001	-	-	Yes Mother of Mr. Akash Agarwal (WTD & CFO) & Wife of Mr. Ram Chandra Agarwal (Chairman & MD)
3	Mr. Pratik Adukia	Category Head	52,79,587	Permanent	Graduate	15 + Year	09-05-2011	Vishal Retail & VRL	-	-
4	Mr. Akash Agarwal	Director	48,75,000	Permanent	Graduate	6+	23-07-2012	-	-	Yes Son of Mr. Ram Chandra Agarwal (Chairman & MD) & Mrs. Uma Agarwal (WTD)
5	Mr. Abhishek Khemka	General Manager	38,91,002	Permanent	Graduate	20+ Year	11-07-2016	City Life	-	-

S. 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
6	Mr. Pardeep Jajoria	Assistant General Manager	25,97,952	Permanent	Graduate	8+	12-02-2018	JC Penney India, Bharti Retail, Genesis Color, Lenskart. com	-	
7	Mr. Shakti Prasad Mohanty	Zonal Head	23,56,964	Permanent	Graduate	13+	30-01-2012	Vishal Mega Mart	-	
8	Mr. Sunil Kumar	Manager	20,64,414	Permanent	Graduate	10+	01-10-2011	-	-	
9	Mr. Manshu Tandon	CEO	1392812	Permanent	Graduate	13+	27-01-2020	Vishal Retail ltd, Bazar India	-	
10	Pappu Kurnar	Zonal Head	1339954	Permanent	Graduate	10+	01-07-2011	Reliance	-	

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

1. 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.

2. 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.

3. 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 endeavours 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, 2020, the Board comprised of 8 directors, 3 of them being Executive, 4 being Non Executive Independent Director and 1 being non executive nominee Director. The Company has one woman Independent Director on its Board. The Detailed profile of all the directors is available on the company's website www.v2retail.com. The Company has complied with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 (1) of the SEBI Listing Regulations with respect to the Composition of the Board.

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

Name and Category of Directors			
Promoter Directors (Executive Director)	Non-Executive Directors	Independent	Non Executive Nominee Director
1 Mr. Ram Chandra Agarwal	1 Mr. Lalit Kumar		1 Ms. Rochelle Susanna Dsouza
2 Mrs. Uma Agarwal	2 Dr. Arun Kumar Roopanwal		
3 Mr. Akash Agarwal	3 Mr. Harbir Singh Sidhu		
	4 Mrs. Archana Surendra Yadav		

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

- 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.
- 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.
 - 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.
 - To establish effective systems: The Directors ensure that the effective systems are in place for periodic and timely reporting to the Board on matters concerning the Company.

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

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

f. Compliance

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

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

on the reports and certificates, a certificate of statutory compliances duly signed by the Managing Director and the CEO/CFO is also placed before the Board during the year under review.

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

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

g. Risk management

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

h. Number of Board meetings and the Directors present therein

The Board of Directors held 5 (Five) 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
1	April 30, 2019	8	8
2	May 10, 2019	8	8
3	July 29, 2019	8	8
4	October 25, 2019	8	7
5	January 27, 2020	10	10

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, 2020.**

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 2020 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	5	6	2	√
2.	Mrs. Uma Agarwal 00495945	Executive Promoter Director	Wife of Mr. Ram Chandra Agarwal & Mother of Mr. Akash Agarwal	23.07.2001	5	7	1	√
3.	Mr. Akash Agarwal 03194632	Executive Promoter Director & CFO	Son of Mr. Ram Chandra Agarwal & Mrs. Uma Agarwal	29.09.2017	5	4	0	√
4.	^Mr. Lalan Yadav 07578390	Independent Director	N.A.	30.09.2016	5	N.A.	N.A.	√
5.	*Mr. Ravinder Kumar Sharma 06865804	Independent Director	N.A.	14.04.2014	0	N.A.	N.A.	N.A.
6.	#Mr. Siya Ram 07350695	Independent Director	N.A.	05.05.2017	4	N.A.	N.A.	√
7.	^Mr. Jitender 07905191	Independent Director	N.A.	29.09.2017	5	N.A.	N.A.	√
8.	Ms. Rochelle Susanna Dsouza 07854452	Nominee Director	N.A.	28.11.2018	5	1	-	-
9	Mr. Lalit Kumar 00025150	Additional Independent Director	N.A.	27.01.2020	1	2	1	N.A.
10	Dr. Arun Kumar Roopanwal 00406817	Additional Independent Director	N.A.	27.01.2020	1	-	-	N.A.
11	Mr. Harbir Singh Sidhu 01943424	Independent Director	N.A.	30.04.2019	4	-	2	N.A.
12	Mrs. Archana Surendra Yadav 07335198	Additional Independent Director	N.A.	27.01.2020	1	2	4	N.A.

#resigned w.e.f. January 03, 2020; ^resigned w.e.f. January 27, 2020; *Retired from the directorship of the Company w.e.f. 13th April, 2019 due to completion of his term of five year as independent director.

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

** In accordance with Regulation 26 of the Listing Regulations, Chairmanships / Memberships of Board Committees include only Audit and Stakeholders Relationship Committees of public limited companies (Listed & Unlisted) only.

None of the Directors are related to each other except:

Mr. Ram Chandra Agarwal	Father of Mr. Akash Agarwal Husband of Mrs. Uma Agarwal
Mrs. Uma Agarwal	Mother of Mr Akash Agarwal Wife of Mr. Ram Chandra Agarwal
Mr. Akash Agarwal	Son of Mr. Ram Chandra Agarwal & Mrs. Uma Agarwal

None of the Directors on the Board serve as an Independent Director in more than seven listed companies. Further, there are no Directors on the Board of the Company, who serve as Whole-time Directors with any other listed company.

No Director is a member of more than ten Committees or acts as the Chairman of more than five Committees across all companies in which he or she is a member.

None of the Non-Executive Directors hold any shares of the Company.

Confirmation that in the opinion of the board, the Independent Directors fulfil the conditions specified

in these regulations and are independent of the management:

The Board comprises of highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its committee.

The core skills/ expertise/ competencies required in the Board in the context of the Company's businesses and sectors functioning effectively as identified by the Board of Directors of the Company are tabulated below:

List of core Skills/ Expertise/ Competencies of the Board of Directors:

Name of the Directors	BROAD PARAMETERS (Core Skills/ Expertise/ Competencies)							
	Financial & Accounting knowledge	Strategic Expertise	Risk Governance	Legal & Corporate Governance expertise	Retail Skills	Management Skills	Sustainability & CSR	Quality & Safety
Mr. Ram Chandra Agarwal	☑	☑	☑	☑	☑	☑	☑	☑
Mrs. Uma Agarwal	☑	☑	☑	-	☑	☑	☑	☑
Mr. Akash Agarwal	☑	☑	☑	☑	☑	☑	☑	☑
Mr. Lalit Kumar	☑	☑	☑	☑	☑	☑	☑	☑
Dr. Arun Kumar Roopanwal	☑	☑	☑	☑	☑	☑	☑	☑
Mr. Harbir Singh Sidhu	☑	☑	☑	☑	☑	☑	☑	☑
Mrs. Archana Surendra Yadav	☑	☑	☑	☑	☑	☑	☑	-
Ms. Rochelle Susanna Dsouza	☑	☑	☑	☑	☑	☑	☑	-

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.

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

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

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

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

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

n. Whistleblower/ Vigil mechanism

The Company has a strong and effective whistleblower policy which aims to deter and detect actual or suspected, misconduct. It has been established to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place within the organization, are raised at an early stage in a responsible and confidential manner. This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism. Any employee may report such incident without fear to the Chairman of the audit committee or alternatively may report to Head – Internal Audit. The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website www.v2retail.com.

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

o. Criteria for selection of Directors

The selection process of Board members is dependent on several parameters. The Company recognizes and

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

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

p. Terms and conditions for appointment of Independent Directors

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

q. Board diversity policy

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

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

r. Board evaluation policy

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

s. Post -meeting follow-up mechanism

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

Code of conduct

The Company has its code of conduct for all the members of the Board including Independent Directors, Committees and employees working at the level of Heads of Departments. In compliance with SEBI Listing Regulations, 2015 and Companies Act, 2013 the code of conduct suitably lays down the duties of the Independent Director. The said code is displayed on the Company's website, www.v2retail.com. All the Board Members and Employees have affirmed compliance with the said code for the year ended March 31 2020. A declaration signed by the Chief Executive Officer in this regard is annexed at the end of this Report.

Committees of the Board

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

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

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

1. Audit Committee

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

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

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

The internal audit department governs its audit through modules/checklists to carry out process wise audit

and to ensure effective discharges of their duties and compliance with SEBI Listing Regulations, 2015. The Audit process being used by Internal Audit Department is also reviewed from time to time with a view to bring it in line with the regulatory framework.

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

As on March 31, 2020 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 30, 2019, May 10, 2019, July 29, 2019, October 25, 2019, and January 27, 2020.

The Chairman of the Committee was duly present in Annual General Meeting held on September 07, 2019.

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:
 - o 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;
 - o Changes, if any, in accounting policies and practices and reasons for the same;
 - o Major accounting entries involving estimates based on the exercise of judgment by management;
 - o Significant adjustments made in the financial statements arising out of audit findings;
 - o Compliance with listing and other legal requirements relating to financial statements;
 - o Disclosure of any related-party transactions;
 - o 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:
 - o Management discussion and analysis of financial condition and results of operations;
 - o Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - o Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - o Internal audit reports relating to internal control weaknesses; and
 - o 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. Siya Ram	Member	Independent Director	4	4
Mr. Ram Chandra Agarwal	Member	Executive Director	5	5
***Mr. Ravinder Kumar Sharma	Member	Independent Director	0	0
#Mr. Lalit Kumar	Chairman	Additional Independent Director	0	0
Mr. Harbir Singh Sidhu	Member	Independent Director	4	4
#Mrs. Archana Surendra Yadav	Member	Additional Independent Director	0	0

*ceased to be member/chairman w.e.f. 27.01.2020; **ceased to be member w.e.f. 03.01.2020

***ceased to be member w.e.f. 13.04.2019 due to completion of tenure as Independent Director

#appointed as member/chairman w.e.f. 27.01.2020; ^appointed as member w.e.f. 30.04.2019

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 2019-20, the Nomination and Remuneration Committee met 3 times.

The Committee comprises three (3) Independent Directors as on March 31st 2020.

The Committee held 3 (Three) meetings during the year on April 30, 2019, July 29, 2019, and January 27, 2020.

The Chairman of the Committee was duly present at the Annual General Meeting held on September 07, 2019.

The functions of the Committee include:

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

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

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
*Mr. Jitender	Chairman	Independent Director	3	3
*Mr. Lalan Yadav	Member	Independent Director	3	3
**Mr. Siya Ram	Member	Independent Director	2	2
^Mr. Ravinder Kumar Sharma	Member	Independent Director	0	0
#Dr. Arun Kumar Roopanwal	Chairman	Additional Independent Director	0	0
#Mr. Harbir Singh Sidhu	Member	Independent Director	0	0
#Mr. Lalit Kumar	Member	Additional Independent Director	0	0

#appointed as chairman/member w.e.f. 27.01.2020; *ceased to be member/chairman w.e.f. 27.01.2020

**ceased to be member w.e.f. 03.01.2020; ^ceased to be member w.e.f. 13.04.2019 due to completion of tenure as Independent Director

REMUNERATION POLICY

Executive Directors

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

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

Non-Executive Directors

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

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

The aggregate sitting fees paid to Non-Executive Independent Directors for the FY 2019-20 amounted to ₹ 5.38Lacs (excluding GST). The Non-Executive Directors are also reimbursed expenses incurred for attending the meeting.

Performance evaluation criteria for Independent Directors

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

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

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

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

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

(In ₹)

Particulars	Mr. Lalan Yadav	Mr. Siya Ram	Mr. Ravinder Kumar Sharma	Mr. Jitender	Mr. Lalit Kumar	Dr. Arun Kumar Roopanwal	Mrs. Archana Surendra Yadav	Mr. Harbir Singh Sidhu
Sitting fees for the Board Meetings	80000/-	64000/-	8000/-	80000/-	50000/-	50000/-	50000/-	156000/-
Sitting fees the Committee Meetings	-	-	-	-	-	-	-	-
Commission	-	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-	-
Total (₹)	80000/-	64000/-	8000/-	80000/-	50000/-	50000/-	50000/-	156000/-

- Managing Directors & Executive Directors

During the year, Company has paid remuneration to its Executive Directors by way of salary and perquisites, as 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 2019-20 are as under:

(In ₹)

Name of the Director	Basic Salary	Contribution to PF	Value of Perquisites	Variable	Total
Mr. Ram Chandra Agarwal	58,75,000	-	-	-	58,75,000
Mrs. Uma Agarwal	58,75,000	-	-	-	58,75,000
Mr. Akash Agarwal	48,75,000	-	-	-	48,75,000
Total (₹)	1,66,25,000				1,66,25,000

Service contracts, notice period, severance fees:

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

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Not Applicable**Shares held by the Non –Executive Directors as on March 31, 2020**

Sl. No.	Name of the Director	Category of Director	Number of Shares
1.	Mr. Lalit Kumar	Additional Independent Director	-
2.	Dr. Arun Kumar Roopanwal	Additional Independent Director	-
3.	Mr. Harbir Singh Sidhu	Independent Director	-
4.	Mrs. Archana Surendra Yadav	Additional Independent Director	-
5.	Ms. Rochelle Susanna Dsouza	Nominee Director	-

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

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 1 (One) meeting during the year on April 30, 2019.

The functions of the committee include:

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

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

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
**Mr. Jitender	Chairman	Independent Director	1	1
**Mr.LalanYadav	Member	Independent Director	1	1
Mrs. Uma Agarwal	Member	Executive Director	1	1
#Mr.Siya Ram	Member	Independent Director	1	1
^Mr.Ravinder Kumar Sharma	Member	Independent Director	0	0
*Mr. Harbir Singh Sidhu	Chairman	Independent Director	0	0
*Mrs. Archana Surendra Yadav	Member	Additional Independent Director	0	0
*Mr. Ram Chandra Agarwal	Member	Executive Director	0	0

*appointed as chairman/member w.e.f. 27.01.2020; **ceased to be chairman/member w.e.f. 27.01.2020;

#ceased to be member w.e.f. 03.01.2020; ^ceased to be member w.e.f. 13.04.2019 due to completion of tenure as Independent Director

The Company Secretary is the Compliance Officer as per the SEBI Listing Regulations, 2015. Details of the complaints received and redressed/disposed during the year ended March 31, 2020 are as follows :

Nature of Complaint	Pending as on 1 st April 2019	Received During the Year	Disposed during the year	Pending as on 31 st March 2020
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 one (1) meeting during the year on April 30, 2019.

The Committee is delegated and empowered to do the following:

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

Composition, category of Directors and number of meetings attended:

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
**Mr. Siya Ram	Chairman	Independent Director	1	1
Mr. Ram Chandra Agarwal	Member	Executive Director	1	1
#Mr. LalanYadav	Member	Independent Director	1	1
^Mr. Ravinder Kumar Sharma	Member	Independent Director	0	0
*Mrs. Archana Surendra Yadav	Chairperson	Additional Independent Director	0	0
*Dr. Arun Kumar Roopanwal	Member	Additional Independent Director	0	0
*Mr. Akash Agarwal	Member	Executive Director	0	0

*appointed as chairperson/member w.e.f. 27.01.2020; **ceased to be chairman w.e.f. 03.01.2020

#ceased to be member w.e.f. 27.01.2020; ^ceased to be member w.e.f. 13.04.2019 due to completion of tenure as Independent Director.

Separate meeting of the Independent Directors

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Act and Regulation 25(3) of SEBI Listing Regulations, 2015, a meeting of Independent Directors was proposed to be held in the last week of March 2020 without the attendance of Non-Independent Directors and members of the Management. However, because of the sudden lockdown, the Company was unable to conduct the same.

During the calendar year 2019, a separate meeting of Independent Director's was held as required under Schedule IV (Code of Independent Directors) of the Companies Act, 2013, and Regulation 25(3) of the Listing Regulations on 30.03.2019 inter alia to:

- Review the performance of Non - Independent Director's and the Board as a whole;
- Review the Performance of the Managing Director of the Company, taking in to account the views of Non – Executive Directors;
- Assess the quality, quantity and timeline of flow of information between the Company Management

and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided

During the year under review, Mr. Siya Ram (DIN: 07350695) Non-Executive Independent Director of the Company has resigned with effect from January 3, 2020 and Mr. Jitender (DIN: 07905191) and Mr. Lalan Yadav who were the Non-Executive Independent Director of the Company resigned with effect from January 27, 2020 due to some personal reasons, The Directors have also confirmed in their respective resignation letter that there was no other material reason other than the one mentioned therein.

Governance in subsidiary companies

The Company has one wholly owned unlisted subsidiary incorporated in India, namely V2 Smart Manufacture Private Limited, the same was incorporated on October 25, 2019.

The Board has approved a "Policy for determining Material Subsidiaries" of the Company and the same is available on the website of the Company.

The Audit Committee of the Company reviews the financial statements, in particular, the investments made by the subsidiary company.

The Minutes of the Board Meetings of the unlisted subsidiary company are placed at the Board Meeting(s) of the Company held at the end of every quarter for approval of financial results.

The Management periodically brings to the attention of the Board of Directors, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

DISCLOSURES

a. Related-party transactions

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

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

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

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

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

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

There has been no instance of any non compliance.

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

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

The Company did not receive any complaint from any Director and employee pursuant to Vigil Mechanism Policy during the financial year 2019-20.

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 with respect to board meetings & general meetings.

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). All the Board members and senior management personnel have affirmed compliance with the Code of Conduct. The Chief Executive Officer 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.

During the Financial Year 2019-20 Mr. Ravinder Kumar Sharma (DIN06865804) ceased to be Independent Director w.e.f. 13.04.2019 due to completion of his tenure. Mr. Jitender (DIN07905191) & Mr. Lalan Yadav (DIN 07578390) were resigned as Independent Director w.e.f. 27.01.2020. Mr Siya Ram (DIN07350695) resigned as Independent of the Company w.e.f. 03.01.2020.

During the year Mr. Harbir Singh Sidhu (DIN01943424) was appointed as Independent Director w.e.f. 30.04.2019. Mr. Lalit Kumar (DIN 00025150), Dr. Arun Kumar Roopanwal (DIN00406817) and Mrs. Archana Surendra Yadav (DIN07335198) were also appointed as Additional Independent Director w.e.f. 27.01.2020.

A brief resume of the Directors proposed to be appointed/reappointed during the year, is provided in the Notice of the Annual General Meeting forming part of the Annual report.

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 Business transacted and resolution passed if any
2018-19	September 07, 2019	10:00 A.M.	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038	<ul style="list-style-type: none"> Alteration of the Article of Association of the company. Appointment of Ms. Rochelle Susanna Dsouza as Non-executive Nominee Director Appointment of Mr. Harbir Singh Sidhu as Independent Director
2017-18	September 29, 2018	10:00 A.M.	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038	None
2016-17	September 29, 2017	10:00 A.M.	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038	<ul style="list-style-type: none"> To appoint Mr. Siya Ram as an Independent Director of the Company. To appoint Mr. Jitender as an Independent Director of the Company. To appoint Mr. Akash Agarwal as Whole Time Director of the Company To Re- appoint Mr. Ram Chandra Agarwal as Chairman and Managing Director of the Company

B) DETAILS OF LAST THREE EXTRA ORDINARY GENERAL MEETING HELD

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

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

During the financial year ended March 31, 2020, the Company has not passed any special/ordinary resolution through Postal Ballot.

Whether any special/ordinary resolution is proposed to be conducted through postal ballot: No

Details of resolutions passed through e-voting:

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

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.

Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of

the 19th AGM and the Annual Report for the financial year 2019-20, are being sent only by email to the Members. Members may note that this Notice and Annual Report 2019-20 will be available on the Company's website www.v2retail.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of Link Intime India Private Limited at <https://www.linkintime.co.in>.

Consolidation of Folios and avoidance of multiple mailing

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

Code for prevention of Insider-Trading practices

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

The Company has adopted a code of conduct for prevention of insider trading as well as a code of corporate disclosure practices. All the Directors on the Board, senior management at all locations and other employees who could be privy to unpublished price sensitive information of the Company are governed by this code. The Company has also formulated code of practices and procedures for fair disclosure of unpublished price-sensitive information which is available on the Company's website www.v2retail.com.

A Declaration/certificate pursuant to Schedule V of SEBI (Listing Obligation Disclosure Requirements) Regulation 2015 is annexed herewith.

To,

Members of V2 Retail Limited

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

I, 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, 2020.

Manshu Tandon

Chief Executive Officer

Date : 19.08.2020

Place : New Delhi

Foreign Exchange Risk Management Policy

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

Dividend Distribution Policy

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

Means of communication

i. Quarterly /Annual results

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

Considering of unprecedented situation of COVID-19 and relaxation provided by SEBI, Company has not published newspaper advertisement for announcement of audited financial results (Standalone and Consolidated) for the year ended March 31, 2020.

ii. Presentations/News releases

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

iii. Website

The Company's corporate website www.v2retail.com contains comprehensive information about the Company. An exclusive section is for investors wherein annual reports, quarterly/half-yearly

financial results, notices, shareholding patterns, policies among others are available for reference or download.

iv. Annual report

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

v. Designated exclusive mail-id

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

vi. Intimation to stock exchanges

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

vii. Investor relations

The Company's executives participate in investor meetings including conferences in India and abroad from time to time organized by financial institutions, analyst and broking houses. Generally a conference call is done every quarter post 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, 2019 to March 31, 2020

C) Annual General Meeting For The Financial Year 2019-20

DAY AND DATE	Monday, September 28, 2020
TIME	10:00 A.M
VENUE	Venue: The Company is conducting meeting through Video Conferencing (VC) / Other Audio Visual Means (OAVM) pursuant to the General Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/ CFD/ CMD1/ CIR/P/ 2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular")
FINANCIAL YEAR	April 01, 2019 to March 31, 2020
BOOK CLOSURE DATES	22nd September, 2020 to 28th September, 2020
DIVIDEND PAYMENT DATE	N.A.
REGISTERED OFFICE	Khasra No. 928, Extended Lal Dora Abadi Village Kapashera, Tehsil Vasant Vihar New Delhi South West Delhi -110037
CORPORATE OFFICE	Khasra No. 928, Extended Lal Dora Abadi Village Kapashera, Tehsil Vasant Vihar New Delhi South West Delhi -110037
Company Secretary and Compliance officer	Mr. Sudhir Kumar

D) Stock Exchange Info

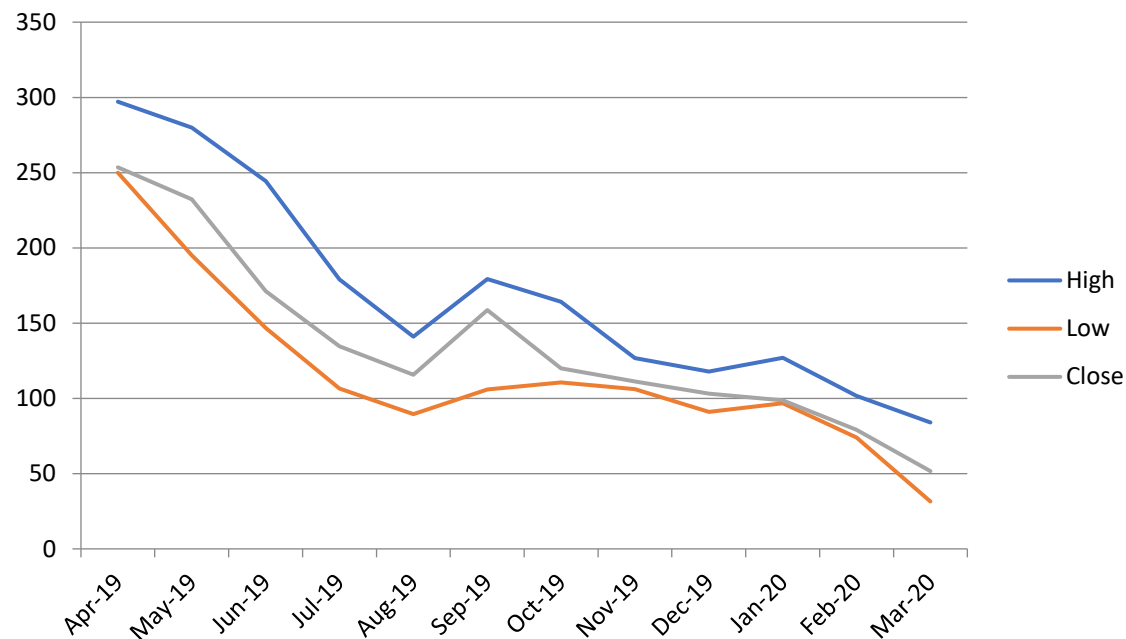
Stock Exchange on which shares are listed	BSE Limited - Mumbai National Stock Exchange of India Limited - Mumbai
Stock Code	BSE Limited : 532867 National Stock Exchange of India Limited : V2RETAIL
Script Id	V2RETAIL
Listing Fees	Payment of the Annual Listing fees for the Financial Year 2020-21 is made to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed within prescribed time.

E) Market Price Data

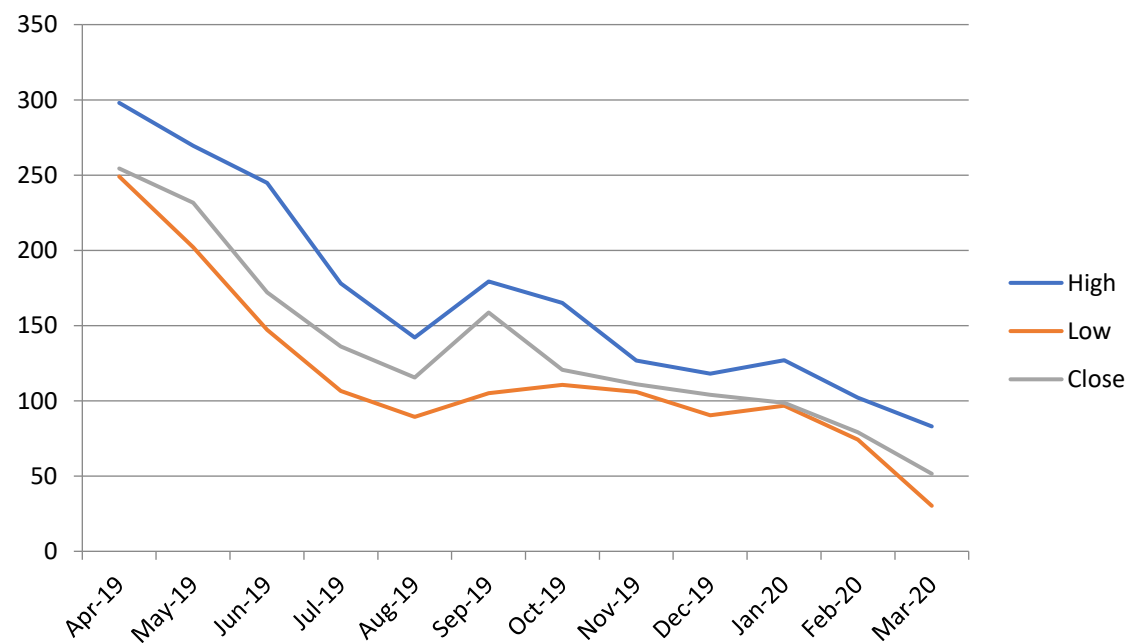
The Company's equity shares are listed on The BSE Limited & National Stock Exchange of India Limited. The high and low share prices and volumes of your Company's shares at BSE and NSE (based on closing price) for the year is as under:

Month	V2 Retail Share Price on BSE			V2 Retail Share Price on NSE		
	High	Low	Close	High	Low	Close
Apr-19	297.15	250.00	253.55	298.00	249.05	254.40
May-19	280.00	195.00	232.20	269.45	202.00	231.60
Jun-19	244.50	146.80	171.30	244.80	147.20	172.10
Jul-19	179.00	106.55	134.55	178.00	106.60	136.05
Aug-19	141.00	89.60	115.65	142.00	89.25	115.45
Sep-19	179.30	106.00	158.65	179.35	105.05	158.60
Oct-19	164.25	110.60	120.05	165.10	110.50	120.70
Nov-19	126.70	106.15	111.15	126.70	106.00	111.10
Dec-19	117.85	91.10	103.20	118.00	90.30	104.10
Jan-20	127.00	96.70	98.75	127.00	96.85	98.65
Feb-20	101.60	74.00	79.10	102.00	74.15	79.15
Mar-20	84.00	31.50	51.65	83.00	30.25	51.55

Graphical Representation of share price of V2 Retail Limited at BSE



Graphical Representation of share price of V2 Retail Limited at NSE



F) Distribution of Shareholding as on March 31, 2020**DISTRIBUTION OF SHAREHOLDING (SHARES)**

SR. NO.	SHAREHOLDING OF SHARES			SHAREHOLDER	PERCENTAGE OF TOTAL	TOTAL SHARES	PERCENTAGE OF TOTAL
1	1	to	500	22652	90.5573	2067891	6.0633
2	501	to	1000	1158	4.6294	920790	2.6999
3	1001	to	2000	613	2.4506	908136	2.6628
4	2001	to	3000	184	0.7356	465695	1.3655
5	3001	to	4000	103	0.4118	370650	1.0868
6	4001	to	5000	71	0.2838	333285	0.9772
7	5001	to	10000	110	0.4398	806019	2.3633
8	10001	to	*****	123	0.4917	28232560	82.7812
Total				25014	100	34105026	100

G) Share Transfer System

Transfers of Equity Shares are handled by Link Intime India Private Limited. The transferee is required to furnish transfer deed duly completed in all respects together with share certificate to Link Intime India Private Limited at the above address in order to enable the Registrar and transfer agent to process the transfer and during the FY 19-20 company has complied with the process of transfer and consolidation of the shares.

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

Nomination Facility:

Shareholders who hold shares in physical form and wish to make/ change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Act, may submit request to Registrar and Transfer Agent (RTA) in the prescribed Forms SH-13/SH-14.

Share Transfer Physical System:

Shares in physical form should be lodged for transfer at the office of the Company's Registrar & Transfer Agent, at their branch offices at the addresses mentioned in the Corporate Information. The transfers are processed, if technically found it to be in order and complete in all respects.

As per directives issued by SEBI, it is compulsory to trade in the equity shares of the Company in dematerialized form only.

SHAREHOLDING PATTERN AS ON MARCH 31, 2020

Listing of Shareholders Category (Summary)							
Category	Demated Shares	Demated Holders	Physical Shares	Physical Holders	Total Shares	Total Value	Total Percent
Corporate Bodies (Promoter Co)	1,45,79,426	5			1,45,79,426	14,57,94,260	42.7486
Clearing Members	1,30,707	95			1,30,707	13,07,070	0.3832
Other Bodies Corporate	27,43,717	238			27,43,717	2,74,37,170	8.0449
Financial Institutions	20,457	1			20,457	2,04,570	0.06
Hindu Undivided Family	2,46,035	581			2,46,035	24,60,350	0.7214
Mutual Funds	17,59,214	2			17,59,214	1,75,92,140	5.1582
Non Resident Indians	2,62,386	279			2,62,386	26,23,860	0.7693
Non Resident (Non Repatriable)	66,880	123			66,880	6,68,800	0.1961
Public	83,17,203	23,619	70,090	64	83,87,293	8,38,72,930	24.5925

Listing of Shareholders Category (Summary)							
Category	Demated Shares	Demated Holders	Physical Shares	Physical Holders	Total Shares	Total Value	Total Percent
Promoters	37,06,911	5			37,06,911	3,70,69,110	10.8691
State Government	2,000	1			2,000	20,000	0.0059
Foreign Portfolio Investors (Corporate)	22,00,000	1			22,00,000	2,20,00,000	6.4507
NBFCs registered with RBI							
TOTAL :	3,40,34,936	24,950	70,090	64	3,41,05,026	34,10,50,260	100.00

H) Dematerialization of Shares and Liquidity

The Equity Shares of your Company are under compulsory dematerialization mode as on March 31, 2020. The ISIN for the Equity Shares of the Company is INE945H01013.

99.79% of shares of the Company are dematerialized as on March 31, 2020. Trading in Equity shares of the Company is permitted only in Demat mode.

I) The Equity shares of your Company are regularly traded on 31st March 2020, the trading details of the shares of the Company for the month of March 31, 2020 are given below :

	BSE	NSE
Total Traded Quantity (No. of shares)	5,34,909	25,47,407
Turnover (Amount in ₹.)	2,46,78,998	13,83,91,000

J) 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.

K) Foreign Exchange risk and Hedging activities:

The Company has taken suitable steps from time to time for protecting it against foreign exchange risk(s). The Company does not enter into hedging activities.

L) Address of Correspondence:

Correspondence with the Company	R&T Agent: (Link Intime India Private Limited)
Mr. Sudhir Kumar Company Secretary & Compliance Officer Khasra No. 928, Extended Lal Dora Abadi Village Kapashera, Tehsil Vasant Vihar New Delhi South West Delhi – 110037 Tel No: 011-41771850 Email: cs@vrl.net.in / cs@v2retail.net.in	Noble Height, 1st Floor, Plot No. NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi-110058 Tel No : 011-41410592 Email: delhi@linkintime.co.in

Financial Calendar

Financial year: April 1, 2019 to March 31, 2020

The Board meetings for approval of financial results for financial year 2019-20 were held on the following dates:

Period	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Date	29.07.2019	25.10.2019	27.01.2020	25.06.2020

The tentative dates of the board meetings for consideration of quarterly and annual financial results for the financial year 2020-21 are as follows:

Period	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Date	On or before August 14, 2020	On or before November 14, 2020	On or before February 14, 2021	On or before May 30, 2021

Registrar and Share Transfer Agent

Link Intime India Private Limited
(formerly known as Intime Spectrum Registry Limited)
Noble Height, 1st Floor, Plot No. NH-2, C-1 Block, LSC,
Near Savitri Market, Janakpuri, New Delhi-110058
Tel No : 011-41410592
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.

Certificate from a company secretary in practice (Annexure to this report) that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority

On the basis of written representations/ declaration received from the Directors, as on 31st March, 2020, M/s Sunpreet Singh & Associates, Company Secretaries (Membership No. ACS 43116, CP No. 16084), have issued a certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by SEBI/ MCA or any such authority.

Mandatory requirements

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

Non-mandatory requirements:

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

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

2. Shareholders' rights

The quarterly and half-yearly financial results are published in widely circulated national and local dailies and are displayed on the Company's website www.v2retail.com.

3. Audit qualification

Statutory Auditor of the company has given the modified/qualified Auditor Report for the year ended March 31, 2020 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 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, 2020 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

Akash Agarwal
Chief Financial Officer

Date: 25.06.2020

Place: New Delhi

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

We, M/s. Sunpreet Singh & Associates, Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance Report prepared by the V2 Retail Limited ("the Company"), for the year ended on 31 March 2020, 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 as 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.: A43116

COP: 16084

Date: July 14, 2020

Place: New Delhi

UDIN: A043116B000449038

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such authority.

DIN	Name	Begin Date
00491885	Ram Chandra Agarwal	23/07/2001
00495945	Uma Agarwal	23/07/2001
03194632	Akash Agarwal	29/09/2017
00025150	Lalit Kumar	27/01/2020
00406817	Arun Kumar Roopanwal	27/01/2020
01943424	Harbir Singh Sidhu	30/04/2019
07335198	Archana Surendra Yadav	27/01/2020
07854452	Rochelle Susanna Dsouza	28/11/2018

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

For Sunpreet Singh & Associates
Practicing Company Secretary

Sunpreet Singh
Proprietor
Membership No.: 43116
COP: - 16084
Date: August 07, 2020

Place: New Delhi
UDIN: A043116B000570027

BUSINESS RESPONSIBILITY REPORT (BRR)

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and National Voluntary Guidelines on Social, Environment and Economic Responsibilities (NVG) as issued and revised by Ministry of Corporate Affairs (MCA), Government of India, the "Business Responsibility Report" (BRR) of the Company for the financial year 2019-20 forming part of this Annual Report is as follows:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L74999DL2001PLC147724
2.	Name of the Company	V2 RETAIL LIMITED
3.	Registered Address	V2 Retail Ltd, Khasra No. 928, Extended Lal Dora Abadi Village-Kapashera, Tehsil Vasant Vihar, New Delhi-110037
4.	Website	www.v2retail.com
5.	Email ID	cs@vrl.net.in
6.	Financial Year Reported	April 01, 2019 to March 31, 2020
7.	Sector (s) that the Company is engaged in (Industrial activity code-wise)	Name and Description of main products/ services: Retail sale of clothing, footwear and leather articles in specialized stores : (NIC Main Class- 4771) Retail sale of readymade garments, hosiery goods, other articles of clothing and clothing accessories : (NIC Code - 47711)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Retail Trade of Apparels & garments 2. Retail Trade of Fashion Accessories 3. Retail Trade of Textiles products
9.	Total number of locations where business activity is undertaken by the Company i. Number of international locations ii. Number of national locations	Number of international locations - NIL As on March 31, 2020, the Company operates 76 retail stores spread across 17 states and 71 cities; a warehouse and a Corporate office
10.	Markets served by the Company- Local/ State/ National/ International	India

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid Up Capital (₹)	3,410.50 Lakhs
2.	Total Turnover (₹)	70,348.71 Lakhs (Standalone)
3.	Total profit after taxes (₹)	1,014.53 Lakhs(Standalone)
4.	Total spending on Corporate Social Responsibility as percentage of profit after tax (%)	Nil
5.	List of activities in which expenditure in point 4 above has been incurred	<p>The Company has identified the following CSR activities as per its CSR Policy :</p> <ul style="list-style-type: none"> • Environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of water and other natural re-sources. • Promoting healthcare, sanitation and making safe drinking water available • Employment enhancement through training and vocational skill development • Promoting education and sports • To use environmental friendly and safe process in production <p>The Company is committed to fulfil its CSR responsibilities in near future.</p>

SECTION C: OTHER DETAILS

1.	Does the Company have any subsidiary company/ companies?	Yes, the Company has one wholly owned subsidiary company namely, V2 Smart Manufacturing Private Limited.
2.	Do the subsidiary company/companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).	At present, the BR initiatives have been undertaken at parent Company level.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%].	No The Company will promote BR initiatives in its value chain.

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR

- a) Details of the Director / Directors responsible for the implementation of BR policy/policies :
 - i. DIN Number: 00491885
 - ii. Name: Mr. Ram Chandra Agarwal
 - iii. Designation: Chairman & Managing Director
- b) Details of the BR Head :
 - iv. DIN Number: 03194632
 - v. Name: Mr. Akash Agarwal
 - vi. Designation: Whole-time Director & CFO
 - vii. Telephone Number: 011 41771850
 - viii. E-mail ID: akash@v2retail.net.in

LIST OF PRINCIPLES:

- Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency & Accountability
- Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- Principle 3: Businesses should promote the well-being of all employees
- Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders
- Principle 5: Businesses should respect and promote human rights
- Principle 6: Businesses should respect, protect, and make efforts to restore the environment
- Principle 7: Businesses should engage in influencing public and regulatory policy in a responsible manner
- Principle 8: Businesses should support inclusive growth and equitable development
- Principle 9: Businesses should engage with and provide support customer value

2. Principle-wise (as per National Voluntary Guidelines) BR Policy/policies (reply with YES/ NO)

2a. Details of Compliance:

Sr. No.	Guidelines	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy confirm to any national / international standards? If yes, specify? (50 words) ¹	The policies has been drafted on the basis of applicable law, code of conduct & applicable standards.								
4.	Has the policy being approved by the Board? If yes, has it been signed by the MD/ Owner/ CEO/ appropriate Board Director? ²	Policies mandated under the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 are approved by the Board and other policies are approved by the Managing Director / functional heads of the Company as appropriate from time to time								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online? ³	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance Redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

⁽¹⁾The policies are in compliance with applicable National/ International laws, rules, regulations, guidelines and standards. The policies are in conformance to the spirit of International standards.

⁽²⁾ & ⁽³⁾ As per Company practice, the policies that are approved by the Board, are posted on the website of the Company www.v2retail.com.

2b. If answer to S. No.1 against any principle, is 'No', please explain why: (Tick up to 2 options)

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

3. Governance related to BR

Indicate the frequency with which the Board of Directors, committee of the Board or CEO assesses the BR performance of the Company- within 3 months, 3-6 months, annually, more than 1 year	The Company has decided to assess the BR performance annually and as and when required.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the Company has decided to publish BR Report as a part of Annual Report every year.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Sr. No.	Particulars	Remark
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	Yes No
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Nil

Principle 2

Sr. No.	Particulars	Remark
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company designs its products and services in a way that they comply with the mandatorily required standards under the requisite laws. The company strictly forbidden hires or use of child force at work place and expect its vendors to follow the same. The Company make all possible efforts to provide a healthy and safe working environment to its employees.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The Company is not engaged in the business of manufacturing goods. Considering the nature of business of the Company said questions are not applicable to the Company.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentages of your inputs were sourced sustainably? Also provide details thereof, in about 50 words or so.	The Company is putting in place procedure for sustainable sourcing of products sold by the Company.
4.	Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes The Company is contributing to the society at large by procuring goods & services from small scale industries and small producers. The Company also employs locals to the extent available. We provide early payment facilities to MSMED vendors to enable them to manage their finances properly.
5.	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as ≤ 5%, 5-10%, ≥10%). Also, provide details thereof, in about 50 words or so	The Company is not into manufacturing, thus there is not much waste generation in the Company, the waste generated at its offices and stores are managed as per the applicable laws & internal waste disposal process.

Principle 3

Sr.No.	Particulars	Remark		
1.	Please indicate the Total number of employees as on March 31, 2020.	3380		
2.	Please indicate the Total number of employees hired on temporary/contractual/ casual basis as on March 31, 2020.	Permanent: 2675 Contractual: 705		
3.	Please indicate the Number of permanent women employees as on March 31, 2020.	270		
4.	Please indicate the Number of permanent employees with disabilities as on March 31, 2020.	Nil		
5.	Do you have an employee association that is recognized by management?	No		
6.	What percentage of your permanent employees are members of this recognised employee association?	NA		
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	Category	No. of complaints filed during the Financial year	No. of complaints pending as on the end of Financial Year
		Child Labour/ Forced Labour/ Involuntary Labour/ Sexual Harassment	NIL	NIL
			NIL	NIL
		Discriminatory Employment	NIL	NIL
8.	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year? <ul style="list-style-type: none"> Permanent Employees Permanent Women Employees Casual/Temporary/Contractual Employees Employees with Disabilities 	100%		

Principle 4

Sr.No.	Particulars	Remark
1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2.	Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders	Yes
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so	As part of corporate social responsibility programme following initiatives are identified: <ul style="list-style-type: none"> To ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of water and other natural re-sources. Promoting healthcare, sanitation and making safe drinking water available Employment enhancement through training and vocational skill development Promoting education and sports Ensuring sustainable environment To use environmental friendly and safe process in production

Principle 5

Sr. No.	Particulars	Remark
1.	Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers/ Contractors /NGOs/ Others?	The policy is basically applicable to the Company.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	Nil

Principle 6

Sr. No.	Particulars	Remark
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	The policy is basically applicable to the Company.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	<p>The Company has taken many energy initiatives such as:</p> <ul style="list-style-type: none"> • Installation of LED lights & power saving equipment at all stores to reduce the electricity consumption • optimum use of air conditioner (AC) at the stores in order to reduce the electricity consumption • Automation of processes to reduce the use of paper • Installation of glass doors, walls and windows at the stores to use the daylight and reduce electricity consumption • Plantation of trees for combating air pollution at warehouse • Eliminate the use of plastic bags at stores.
3.	Does the company identify and assess potential environmental risks? Y/N	Yes
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5.	Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, please hyperlink for webpage etc.	The initiatives taken by the Company towards energy conservation during the year under review are given in the Board Report
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not applicable since the company is in the business of Retail.
7.	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7

Sr. No.	Particulars	Remark
1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	Retailer Association of India (RAI)
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Whenever Policy guidelines are issued, the company has been providing its suggestions to the Government and above Trade / Chamber Associations. Company officials have also attended seminars / workshops organized by the apex organizations for facilitating views on the policies.

Principle 8

Sr. No.	Particulars	Remark
1.	Does the company has specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, details are mentioned in Annexure IV of the Directors' Report.
2.	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?	The Company has been implementing various CSR projects through in-house teams.
3.	Have you done any impact assessment of your initiative?	Periodic review is undertaken by CSR Committee of the Board.
4.	What is your company's direct contribution to community development projects Amount in INR and the details of the projects undertaken?	Details are mentioned in Annexure IV of the Directors' Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	The primary & immediate beneficiaries of CSR policy of the Company would be the poor, needy and other section of the community/society especially from the areas surrounding & near to the Company Operation Areas

Principal 9

Sr. No.	Particulars	Remark
1.	What percentage of customer complaints/consumer cases were pending as on the end of financial year.	Customer Satisfaction is of utmost important for the Company. The Company has a dedicated customer care representative/cell to handle the day to day complaints of the customers. As at the end of financial year, no consumer case was pending.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)	Not Applicable
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	There are no cases pending in relation to unfair trade practices, irresponsible advertising and/or anti competitive behavior. There are a few consumer product complaints pending in the normal course of business, which the Company defends appropriately.
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes

Independent Auditor's Report

To the Members of V2 Retail Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of V2 Retail Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in Note 18(a) to the accompanying standalone financial statements, the Company's other equity as at 31 March 2020 includes an amount of 365.36 lakhs in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial statements. Our opinion on the financial statements for the previous year ended 31 March 2019 was also modified in respect of this matter.
4. As stated in Note 39 (iv) to the accompanying standalone financial statements, the Company's contingent liabilities as at 31 March 2020 include an amount of 2,455.18 lakhs which relates to litigations pending with various authorities, for which the Company's management has not been able to provide necessary evidence in relation to probability of outflow of resources embodying economic benefits. In the absence of sufficient appropriate

audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts as a provision or a contingent in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and profit as at and for the year then ended. Our opinion on the financial statements for the previous year ended 31 March 2019 was also modified in respect of this matter.

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

Emphasis of Matter

6. We draw attention to Note 52 of the accompanying standalone financial statements, which describes the uncertainties relating to the effect of COVID-19 pandemic outbreak and the management's evaluation of the impact on the standalone financial of the Company as at the balance sheet date. The extent of the impact of these uncertainties on the Company's operations is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Existence and valuation of Inventories</p> <p>Refer note 1 (iv) (k) for significant accounting policy and note 10 for the financial statement disclosure.</p> <p>At the end of each reporting period, management of the Company assesses whether there is adequate provision for inventory losses on account of lower net realizable value and obsolete inventory.</p> <p>The management applies judgement in determining appropriate provisions for inventory losses which include:</p> <p>a) Applying specific identification process to ascertain slow moving and obsolete inventory.</p> <p>b) Assessing the net realizable value of such slow moving and obsolete inventory.</p> <p>In addition to the above, the management adopts a cyclical count for physical verification of inventory which is a complex exercise owing to the nature of the inventory and the multiple locations covered in such cyclical counts.</p> <p>Further, due to outbreak of the COVID-19, there was a lockdown enforced in the country at year end and several restrictions were imposed by the respective state governments across India on travel and movement considering public health and safety measures which resulted into complexities for the management to carry out the physical verification of inventory as per the cyclical count plan.</p> <p>Considering the aforesaid complexities involved in cyclical physical verification of inventory which required us to undertake alternate audit techniques as described in this key audit matter, and significant management judgements and estimates required with respect to allowance for inventory loss, existence and valuation of inventory was determined to be a key audit matter for the current year audit.</p>	<p>Our audit included, but was not limited to, the following audit procedures over inventory existence and valuation:</p> <ul style="list-style-type: none"> Understood the management process for cyclical physical counts, identification of slow moving, non-moving or obsolete inventories and determining net realisable value, and evaluated whether such processes are consistently followed. Evaluated design and tested the operating effectiveness of controls implemented around above mentioned processes throughout the year. <p><u>Cyclical physical counts and physical count performed subsequent to year end:</u></p> <ul style="list-style-type: none"> Inspected management's inventory count records and observed physical inventory verification for locations selected based on materiality and risk considerations. Tested the roll-forward of the cyclical counts performed by the management for locations where such counts were performed before the year end. Appointed an independent firm of Chartered Accountants for providing direct assistance in carrying out physical verification of the inventory on a sample basis subsequent to the balance sheet date and supervised and reviewed the work performed by them using audio / video conferencing facilities. Performed roll-back procedures by verification of movement between the year-end date and sample test count date with the supporting documents which included purchase invoice, sales invoice, dispatch register, gate inward/outward register, etc. to substantiate the existence of inventory as at the reporting date; Tested the adjustment made in the books of accounts basis the results of the physical counts performed by the management. <p><u>Slow-moving/obsolete inventory provisions:</u></p> <ul style="list-style-type: none"> Tested inventory ageing obtained through system reports, where applicable. Obtained from management the list of slow and non-moving inventories identified as on 31 March 2020 and their corresponding expected sales in future periods. Tested the computation for allowance for slow-moving, non-moving and obsolete inventories by performing an independent age-wise analysis of the inventory line items along with specific inquiries with the management with respect to planned sales, corroborating the same with our prior experience and understanding of the business.

	<ul style="list-style-type: none"> • Tested the net realizable value of traded goods inventory on a sample basis to recent selling prices. • Compared and assessed the actual utilization/sales to the previous estimates done by the management in prior periods to determine the efficacy of the process of estimation by the management. <p>Obtained written representations from management on the completeness and adequacy of inventory allowance as at the year end.</p>
<p>Adoption of Ind AS 116 effective from 1 April 2019</p> <p>Refer note 1 (iv) (h) for significant accounting policy and note 50 for the financial statement disclosure.</p> <p>The Company has adopted Ind AS 116, "Lease" effective 1 April 2019, which replaces the existing standard Ind AS 17. The Company has chosen to apply the 'modified retrospective approach' on the date on initial recognition and recognised the cumulative adjustments in retained earnings.</p> <p>At the end of the reporting period, management of the Company has recognised the Right of Use asset (ROU) and corresponding lease liability. Management has also assessed the impairment of ROU asset recognised in books of account.</p> <p>The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at 30,079.05 lakhs and accordingly recognised right-of-use assets at 26,501.43 lakhs by adjusting retained earnings by 2,632.39 lakhs (net of tax), including adjustments for prepaid rent, as at the aforesaid date.</p> <p>In order to compute the transition impact of Ind AS 116, a significant data extraction exercise was undertaken by management to summarize all property and equipment lease data. The determination of transition impact involved application of significant judgements and estimates including determination of leases, lease term including termination and renewal option, use of practical expedients, and discount rates for each lease.</p> <p>Owing to the volume of the lease contracts, materiality of the impact of implementation of this new standard and the estimates involved, we have considered this matter to be a key audit matter in our audit.</p>	<p>Our audit included, but was not limited to, the following audit procedures:</p> <ul style="list-style-type: none"> • Understood the management process for identification of leasing arrangements which are considered to be within the scope of Ind AS 116, Leases and evaluated whether such processes are consistently followed. • Evaluated design and tested the operating effectiveness of controls implemented around above mentioned processes throughout the year. • Reviewed the overall impact analysis prepared by the Company including completeness of lease contracts, lease term and application of practical expedients • Tested the reasonableness of key assumptions including discount rates and lease term and measurement principals used to calculate the lease obligation. • Tested the accuracy of the lease data by testing the lease data captured by management for a sample of leases through the inspection of lease documentation • Verified the accuracy of the underlying lease data used to calculate the transitional impact, by agreeing a representative sample of leases to original contracts or other supporting information; • Verified the integrity and arithmetical accuracy of Ind AS 116 calculations for each sample, through recalculation of the Ind AS 116 adjustments. • Evaluated the appropriateness and adequacy of disclosures made in the financial statements with respect to Lease liability and Right of Use Assets recorded during the year, in conformity with the Ind AS 116. <p>Obtained written representations from management on the completeness of lease data and adequacy of impairment provision as at the year end</p>

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- ## Report on Other Legal and Regulatory Requirements
18. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its managing director and whole time directors in excess of the limits laid down under the provisions of section 197 read with Schedule V to the Act by 106.25 lakhs for the year ended 31 March 2020, which is subject to approval of the shareholders by special resolution in the ensuing Annual General Meeting in accordance with the provisions of section 197(1) read with Schedule V of the Act, as mentioned in note 51 to the accompanying standalone financial statements.
 19. 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.
 20. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) we have sought and except for the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) except for the possible effects of the matters described in the Basis for Qualified Opinion section, 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 standalone 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 section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
 - f) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;
 - g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated

25 June 2020 as per Annexure II, expressed modified opinion; and

- 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. except for the possible effect of the matter described in paragraph 4 of the Basis for Qualified Opinion section, the Company has disclosed the impact of pending litigations on the standalone financial position of the Company as at 31 March 2020, as detailed in Note 39 to the standalone financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
- iii. there were no amounts which were required to be transferred to the Investor Education and

Protection Fund by the Company during the year ended 31 March 2020; 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 standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Membership No.: 504774

UDIN: 20504774AAAACU5051

Place: New Delhi

Date: 25 June 2020

Annexure I to the Independent Auditor's Report of even date to the members of V2 Retail Limited, on the standalone financial statements for the year ended 31 March 2020

Annexure I

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). 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 not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	30,208,391	7,500,000	2006-07 to 2010-11	Commissioner of Service Tax
Rajasthan Value Added Tax Act, 2003	Sales Tax	5,155,233	Nil	2006-07	Assistant Commissioner
Rajasthan Value Added Tax Act, 2003	Sales Tax	10,000,000	Nil	2007-08	Appellate Authority
Rajasthan Value Added Tax Act, 2003	Sales Tax	17,353,962	Nil	2007-08	Joint Commissioner (Appeals)
Rajasthan Value Added Tax Act, 2003	Sales Tax	6,810,980	Nil	2007-08	Deputy Commissioner
Rajasthan Value Added Tax Act, 2003	Sales Tax	1,525,511	Nil	2007-08	Assistant Commissioner
Rajasthan Value Added Tax Act, 2003	Sales Tax	8,387,111	Nil	2008-09	Deputy Commissioner

Annexure I to the Independent Auditor's Report of even date to the members of V2 Retail Limited, on the standalone financial statements for the year ended 31 March 2020

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Rajasthan Value Added Tax Act, 2003	Sales Tax	50,000	Nil	2009-10	Assistant Commissioner
The Uttar Pradesh Value Added Tax Act, 2008	Sales Tax	203,000	Nil	2009-10	Joint Commissioner (Appeals)
The Uttar Pradesh Value Added Tax Act, 2008	Sales Tax	2,242,668	Nil	2009-10	Assistant Commissioner
West Bengal Value Added Tax Act, 2003	Sales Tax	225,000,000	Nil	2008-09	Deputy Commissioner
The Assam Value Added Tax Act, 2003	Sales Tax	720,420	Nil	2010-11	Deputy Commissioner

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no loans or borrowings payable to government and no dues payable to debenture-holders during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the company by its

officers or employees has been noticed or reported during the period covered by our audit.

(xi) As stated in Note 51 to the standalone financial statements, the Company has provided and paid remuneration aggregating to 10,625,000, in excess of limits laid down under section 197 read with Schedule V to the Act for the year ended 31 March 2020, which is subject to approval of the shareholders by special resolution in the ensuing Annual General Meeting (AGM) in accordance with the provisions of section 197(1) read with Schedule V of the Act. The details of the such excess remuneration paid are as follows:

S. No	Payment made to	Amount Paid/provided in excess of limits prescribed (₹)	Amount due for Recovery as at 31 March 2020 (₹)	Steps taken to secure the recovery of the amount
1	Managing Director and Whole time Director	10,625,000	10,625,000	Management proposes to obtain approval of shareholders by special resolution in AGM

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Rohit Arora
Partner
Membership No.: 504774
UDIN: 20504774AAAACU5051

Place: New Delhi
Date: 25 June 2020

Annexure II

Independent Auditor's Report on the internal financial controls with reference to financial statements 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 standalone financial statements of V2 Retail Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('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

internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements as at 31 March 2020:
- 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.
 - 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 internal financial controls with reference to financial statements, 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 respects, adequate internal financial controls with reference to financial statements as at 31 March 2020, 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 issued by the ICAI, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2020.
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 standalone financial statements of the Company as at and for the year ended 31 March 2020, and these material weaknesses as mentioned in para 8 have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

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

Rohit Arora
Partner
Membership No.: 504774
UDIN: 20504774AAAACU5051

Place: New Delhi
Date: 25 June 2020

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Standalone Financial Results

Figure in Rs. Lakh, except for per share data

Statement on impact of audit qualifications for the financial year ended 31 March 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1.	Turnover /total income	70,348.71	70,348.71
	2.	Total expenditure	70,556.04	70,556.04
	3.	Net profit for the period	1,014.53	1,014.53
	4.	Earnings per share	2.97	2.97
	5.	Total assets	70,723.31	70,723.31
	6.	Total liabilities	42,669.56	42,669.56
	7.	Net worth	28,053.75	28,053.75
	8.	Any other financial item (as felt appropriate by the management)	Nil	Nil

II.	Audit qualification (each audit qualification separately)
	<p>a. Details of audit qualifications: The audit report of statutory auditors includes following qualifications on the audited financial statements/ results:</p> <p>(i) As stated in Note 4 to the accompanying financial results, the Company's other equity as at 31 March 2020 includes an amount of Rs. 365.36 lakh in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial results. This matter was also modified in our audit report on the financial results for the year ended 31 March 2019.</p> <p>(ii) As stated in Note 5 to the accompanying financial results, the Company's contingent liabilities as at 31 March 2020 include an amount of Rs. 2,455.18 lakh relating to litigations pending with various authorities, for which the Company's management has not been able to provide necessary details and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts including management's evaluation of likely outcome of such litigations in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and loss as at and for the year then ended. This matter was also modified in our audit report on the financial results for the year ended 31 March 2019.</p>
	<p>b. Type of audit qualification: Qualified Opinion/Disclaimer of Opinion/Adverse Opinion Qualified opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time/repetitive/since how long continuing Repetitive- Qualification stated in (i) is continuing from the financial year ended 31 March 2011. Qualification stated in (ii) is continuing from the financial year ended 31 March 2012. However, the figure mentioned has been updated.</p>

d. For audit qualification(s) where the impact is quantified by the auditor, Management's Views:

Management's view: not applicable

e. For audit qualification(s) where the impact is not quantified by the auditor:**(i) Management's estimation on the impact of audit qualification:**

Not quantified

(ii) If management is unable to estimate the impact, reasons for the same:

- a) The Company restructured its business in the financial year 2010-11 resulting in creation of capital reserve amounting to Rs. 60,523.24 lakh. The aforementioned reserve has been reconciled except for Rs. 365.36 lakh which the Company is in the process of reconciling. However, the management believes that there is no impact of the same on statement of profit and loss.
- b) Out of contingent liabilities existing as at 31 March 2020, certain liabilities aggregating to Rs. 2,455.18lakh are under appeal with different authorities at different levels. Whilst the impact of contingent liabilities on these results can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial results.

(iii) Auditor's comments on (i) and (ii) above:

Since management could not ascertain the impact, the auditors have given qualifications in their auditor's report.

III Signatories:

Yours Sincerely,
For V2 Retail Limited

Sd/-
Mr. Ram Chandra Agarwal
Chairman & Managing Director
DIN00491885

Sd/-
Mr. Akash Agarwal
Chief Financial Officer

Sd/-
Mr. Lalit Kumar
Audit Committee Chairman

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

Sd/-
Rohit Arora
Partner
Membership No. 504774

Place: New Delhi
Date: 25 June 2020

Balance Sheet as at 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	8,888.82	9,765.78
Intangible assets	3 (i)	124.45	205.44
Intangible assets under development	3 (ii)	411.47	411.47
Right of use assets (ROU)	3 (iii)	23,939.37	-
Financial assets			
Loans	4	587.39	483.00
Other financial assets	5	1,234.15	158.36
Investment in Subsidiary	6	1,500.00	-
Deferred tax assets (net)	7	2,120.96	1,099.00
Other non-current assets	8	1,731.59	2,193.78
Income tax assets (net)	9	193.44	166.50
Total non-current assets		40,731.64	14,483.33
Current assets			
Inventories	10	19,615.61	27,107.89
Financial assets			
Cash and bank balances			
Cash and cash equivalents	11	6,046.26	828.52
Other bank balances	12	703.80	-
Other financial assets	13	25.18	103.35
Trade Receivables	14	1,299.28	-
Other current assets	15	2,301.54	2,660.99
Total current assets		29,991.67	30,700.75
Assets held for sale	16	-	1,243.99
Total assets		70,723.31	46,428.07
EQUITY AND LIABILITIES			
Equity			
Share capital	17	3,410.50	3,407.40
Other equity	18	24,643.25	26,128.36
Total equity		28,053.75	29,535.76
Non-current liabilities			
Financial liabilities			
Borrowings	19	75.75	100.93
Lease Liabilities	3 (iii)	26,582.21	-
Other financial liabilities	20	12.39	11.04
Provisions	21	236.79	165.57
Other non-current liabilities	22	-	446.41
Total non-current liabilities		26,907.14	723.95
Current liabilities			
Financial liabilities			
Borrowings	23	2,263.83	931.20
Lease Liabilities	3 (iii)	2,129.39	-
Trade payables	24		
(a) Total outstanding dues of micro enterprises and small enterprises		354.66	342.42
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		10,581.60	13,596.06
Other financial liabilities	25	123.77	192.31
Provisions	26	193.04	100.10
Other current liabilities	27	116.13	196.27
Total current liabilities		15,762.42	15,358.36
Liabilities directly associated with assets classified as held for sale		-	810.00
Total liabilities		70,723.31	46,428.07

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

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

Ram Chandra Agarwal
Chairman and Managing Director
DIN: 00491885

Akash Agarwal
Whole Time Director and
Chief Financial Officer
DIN: 03194632

Manshu Tandon
Chief Executive Officer

Sudhir Kumar
Company Secretary and
Compliance Officer
M.No. A25125

Place: New Delhi
Date: 25 June 2020

Place: New Delhi
Date: 25 June 2020

Statement of Profit and Loss for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	28	70,122.12	74,841.94
Other income	29	226.59	989.08
Total income		70,348.71	75,831.02
Expenses			
Purchase of stock-in-trade	30	43,038.36	61,675.99
Changes in inventories of stock-in-trade	31	7,487.88	(11,045.18)
Employee benefits expense	32	6,230.64	7,482.18
Finance costs	33	2,992.53	65.99
Depreciation and amortization expense	34	5,045.09	1,442.32
Other expenses	35	5,761.54	12,042.80
Total expenses		70,556.04	71,664.10
Profit before exceptional items and tax		(207.33)	4,166.92
Exceptional item (refer note 42(ii))	36	(1,254.51)	2,661.89
Profit before tax		1,047.18	1,505.03
Tax expense:	6		
Current tax		-	76.05
Deferred tax (income)/charge		32.65	(620.31)
Total tax expense		32.65	(544.26)
Profit for the year		1,014.53	2,049.29
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurement (loss) of defined employee benefit plans		(69.10)	(9.86)
Income tax relating to items that will not be reclassified to profit or loss		17.71	3.44
Other comprehensive income for the year		(51.39)	(6.42)
Total comprehensive income for the year		963.14	2,042.87
Significant accounting policies	1		
Earnings per share (face value of ₹ 10 each)			
Basic (₹)	38	2.97	6.02
Diluted (₹)		2.97	6.02

The accompanying notes form an integral part of these financial statements
As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

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

Ram Chandra Agarwal
Chairman and Managing Director
DIN: 00491885

Akash Agarwal
Whole Time Director and
Chief Financial Officer
DIN: 03194632

Manshu Tandon
Chief Executive Officer

Sudhir Kumar
Company Secretary and
Compliance Officer
M.No. A25125

Place: New Delhi
Date: 25 June 2020

Place: New Delhi
Date: 25 June 2020

Statement of Standalone Cash flow for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	(Rs. in Lakh)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities		
Profit before tax	1,047.18	1,505.03
Adjustments for:		
Depreciation and amortisation expense	5,045.09	1,442.32
Gain on investments carried at fair value through profit or loss (net)	-	(29.92)
Gain on sale of investments (net)	(1,254.51)	(68.44)
Interest income	(201.92)	(103.68)
Finance charges	2,992.53	65.99
Share based payments expense	69.30	81.80
Operating profit before working capital changes	7,697.67	2,893.10
Movement in working capital		
Movement in trade payables	(3,000.48)	3,906.54
Movement in trade receivables	(1,299.28)	-
Movement in provisions	96.06	68.28
Movement in other liabilities	(32.18)	411.21
Movement in inventories	7,492.28	(11,088.83)
Movement in loans and advances	(104.39)	(139.26)
Movement in other financial assets	(1,701.43)	(121.68)
Movement in other assets	311.91	(889.52)
Cash flow from/(used in) operating activities post working capital changes	9,460.16	(4,960.16)
Income tax paid (net)	(26.94)	150.22
Net cash flow from/(used in) operating activities (A)	9,433.22	(4,809.94)
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and payable towards property, plant and equipment)	(761.97)	(5,117.22)
Sale of property, plant and equipment	-	91.50
Purchase of intangible assets	-	(58.43)
Proceeds from sale of investments (net)	-	9,063.66
Investment in wholly owned subsidiary	(1,500.00)	-
Proceeds with respect to assets classified as held for sale	1,688.50	-
Interest received	41.08	103.68
Net cash flow (used in)/from investing activities (B)	(532.39)	4,083.19
C. Cash flows from financing activities		
Proceeds from issuance of equity share	3.10	15.13
Proceeds from short term borrowings (net)	2,263.84	-
Proceeds from long term borrowings (net)	(10.60)	145.00
Payment of lease liability	(4,778.75)	-
(Payment of)/proceeds from inter corporate deposits (net)	(931.20)	931.20
Interest paid	(229.48)	(12.95)
Net cash flow (used in)/from financing activities (C)	(3,683.09)	1,078.38
Net increase in cash and cash equivalents (A+B+C)	5,217.74	351.63
Cash and cash equivalents at the beginning of the year	828.52	476.89
Cash and cash equivalents at the end of the year	6,046.26	828.52
Components of cash and cash equivalents at the end of the year		
Cash in hand	83.49	369.51
Cash management services (CMS) receivables	-	0.55
Balance with banks:		
-in current accounts	3,830.61	458.46
-in fixed deposits	2,132.16	-
Total	6,046.26	828.52

Note:

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

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

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

Ram Chandra Agarwal
Chairman and Managing Director
DIN: 00491885

Akash Agarwal
Whole Time Director and
Chief Financial Officer
DIN: 03194632

Manshu Tandon
Chief Executive Officer

Sudhir Kumar
Company Secretary and
Compliance Officer
M.No. A25125

Statement of changes in equity for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

A Equity share capital

	31 March 2020	31 March 2019
Balance as at 1 April 2019	3,407.40	3,392.27
Changes in equity share capital during the year	3.10	15.13
Balance as at 31 March 2020	3,410.50	3,407.40

B Other equity

Particulars	Attributable to owners of V2 Retail Limited				Total
	Reserves and surplus				
	Retained earnings	Securities premium reserve	Capital reserve	Share options outstanding account	
Balance as at 1 April 2019	(64,560.13)	29,503.16	61,043.56	141.77	26,128.36
Profit for the year	1,014.53	-	-	-	1,014.53
Other comprehensive income for the year (net of tax)	(51.39)	-	-	-	(51.39)
Total comprehensive income for the year	963.14	-	-	-	963.14
Reversal of lease equalisation reserve	492.00	-	-	-	492.00
Remeasurement of lease liabilities on account of transition to Ind AS 116 (net of tax)	(3,009.55)	-	-	-	(3,009.55)
Employee stock options exercised during the year	-	70.93	-	(70.93)	-
Employee stock options charge for the year	-	-	-	69.30	69.30
Balance as at 31 March 2020	(66,114.54)	29,574.09	61,043.56	140.14	24,643.25

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: New Delhi
Date: 25 June 2020

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

Ram Chandra Agarwal
Chairman and Managing Director
DIN: 00491885

Akash Agarwal
Whole Time Director and
Chief Financial Officer
DIN: 03194632

Place: New Delhi
Date: 25 June 2020

Manshu Tandon
Chief Executive Officer

Sudhir Kumar
Company Secretary and
Compliance Officer
M.No. A25125

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

1.i) Corporate information

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 76 stores under its umbrella out of which 3 in Delhi-NCR, 18 in Bihar, 13 in Uttar Pradesh, 8 in Odisha, 6 in Assam, 6 in Karnataka, 3 in Madhya Pradesh, 7 in Jharkhand, 4 in Uttarakhand, 2 in Jammu & Kashmir and 1 each in Himachal, Rajasthan, Goa, Telangana, Arunachal Pradesh and Tripura, it has been successfully serving the Indian retail market for more than 25 years.

ii) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements have been prepared under the historical cost convention basis except for the following –

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Dened benet plans – plan assets measured at fair value.
- Assets held for sale – measured at fair value less cost to sell.

The financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Act, unless otherwise stated.

iii) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

iv) Significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020
(All amounts in ₹ in lakh unless otherwise stated)

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

- * Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognized as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life which are equal to those prescribed under Schedule II of the Companies Act, 2013 except for furniture and fixtures and vehicles in which useful lives are different from those prescribed under Schedule II of the Companies Act, 2013. In respect of furniture and fixtures and vehicles, the management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The following useful life of assets has been taken by the Company:

Tangible Assets	Useful Life as per the Schedule II	Useful Life as assessed by the management
Plant and machinery	15 Years	15 Years
Furniture and fittings	10 Years	8 Years
Vehicles	8 Years	8-10 Years
Office equipment	5 Years	5 Years
Computer equipment	3 Years	3 Years
Servers and networking equipment	6 Years	6 Years
Electrical equipment & fittings	10 Years	10 Years
Air conditioners	10 Years	10 Years
Generator sets	15 Years	15 Years

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020
(All amounts in ₹ in lakh unless otherwise stated)

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced, depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

c) Intangible Assets

Recognition and initial measurement

Purchased intangible assets are stated at cost less accumulated amortization and impairment, if any.

Subsequent measurement (amortisation)

All finite-lived intangible assets are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The following useful lives are applied:

Intangible assets	Useful life (in years)
Software	Amortized over a period of 3 years

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

d) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognized in the statement of Profit and Loss.

e) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

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

(i) Transition

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease. Accordingly, Company has taken the cumulative adjustment to retained earnings, on the date of initial application (1 April 2019). Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020
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(ii) The Company as a lessee

The Company's lease asset classes primarily consist of property leases. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

k) Inventories

The Company has only trading goods in its inventory which is valued at lower of cost and net realizable value. Cost of inventory comprises of cost of purchases and other costs incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, 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 goods and service tax (GST).

Income from services

Revenues from rent and display activities are recognized as per the terms of the contract.

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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:

- 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.

- 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

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(FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

- **Mutual funds** – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortized cost using the effective interest method (EIR).

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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

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the Provided 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 plan

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Other employee benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the actuarial valuation performed by an independent actuary using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Other short-term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

o) Employee stock option plan

The cost of equity settled share-based plan is recognized based on the fair value of the options as at the grant date. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in other equity. The total expense is recognised over the vesting period, which is period over which all of the specified vesting conditions are satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity. The fair value of options is determined using the Black Scholes valuation model.

p) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement.

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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.

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.

Summary of significant accounting policies and other explanatory information

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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.
- vi. **Inventories** – The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. Further, the Company also estimate expected loss due to shrinkage, pilferage etc. along with NRV impact on old inventory taking into account most reliable information available at the reporting date.

Standards issued but not yet effective

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards. There is no such notification that would have been applicable from 1 April 2020.

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2 (i) Property, plant and equipment

Description	Leasehold improvements	Vehicle*	Office equipments	Plant and machinery	Electrical equipments	Furniture and fixture	Computer hardware	Total
Gross carrying value								
As at 1 April 2018	37.46	155.10	2,029.52	176.23	1,861.83	3,310.65	1,023.04	8,593.83
Additions	239.31	181.34	1,101.48	401.67	789.39	1,785.62	511.11	5,009.92
Disposals	-	(102.84)	(13.58)	-	-	-	-	(116.42)
As at 31 March 2019	276.77	233.60	3,117.42	577.90	2,651.22	5,096.27	1,534.15	13,487.31
Additions	87.08	118.89	123.58	98.55	69.66	186.63	47.48	731.88
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2020	363.86	352.49	3,241.00	676.45	2,720.88	5,282.90	1,581.62	14,219.18
Accumulated depreciation								
As at 1 April 2018	28.99	36.95	332.82	31.81	401.20	993.18	524.90	2,349.85
Charge for the year	17.79	14.41	295.30	28.56	226.90	537.05	276.60	1,396.61
Disposals	-	(18.78)	(6.14)	-	-	-	-	(24.92)
As at 31 March 2019	46.78	32.58	621.98	60.37	628.10	1,530.23	801.50	3,721.54
Charge for the year	37.23	28.44	343.88	40.50	253.84	619.23	285.71	1,608.82
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2020	84.01	61.01	965.86	100.87	881.95	2,149.47	1,087.21	5,330.36
Net block as at 31 March 2019	229.99	201.02	2,495.44	517.53	2,023.12	3,566.04	732.64	9,765.78
Net block as at 31 March 2020	279.85	291.47	2,275.14	575.58	1,838.93	3,133.43	494.41	8,888.82

Notes:

a. Contractual obligations

Refer note 39(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b. Capitalised borrowing cost

The Company has not capitalised any borrowing costs during the year ended 31 March 2020 and 31 March 2019.

* Gross block of vehicles amounting to Rs. 217.36 lakhs are hypothecated against vehicle loans taken. Refer note 19.

3 (i) Intangible assets

Description	Computer software	Total
Gross carrying value		
As at 1 April 2018	117.94	117.94
Additions	241.84	241.84
Disposals	-	-
As at 31 March 2019	359.78	359.78
Additions	-	-
Disposals	-	-
As at 31 March 2020	359.78	359.78
Accumulated amortization		
As at 1 April 2018	108.63	108.63
Amortisation	45.71	45.71
Disposals	-	-
As at 31 March 2019	154.34	154.34
Amortisation Mar 2020	80.99	80.99
Disposals	-	-
As at 31 March 2020	235.33	235.33
Net block as at 31 March 2019	205.44	205.44
Net block as at 31 March 2020	124.45	124.45

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	As at 31 March 2020	As at 31 March 2019
3 (ii) Intangible assets under development		
Intangible assets under development	411.47	411.47
	411.47	411.47

3 (iii) **Right of use assets and lease liabilities**

Set out below are the carrying amounts of right of use assets and lease liabilities and the movements during the year:

(a) Right-of-use assets	Total
Balance as on 1 April 2019 due to adoption of Ind AS 116	34,900.89
Add: Additions during the year	793.22
Balance as at 31 March 2020	35,694.11
Accumulated depreciation and impairment	
Balance as on 1 April 2019 due to adoption of Ind AS 116	8,399.46
Depreciation for the year	3,355.28
Balance as at 31 March 2020	11,754.74
Net carrying amount	
Balance as at 31 March 2020	23,939.37
(b) Lease liabilities	
Balance as on 1 April 2019 due to adoption of Ind AS 116	30,079.05
Add: Addition	595.21
Add: Interest expense accrued on lease liabilities	2,816.09
Less: lease liabilities paid	4,778.75
Closing balance as at 31 March 2020	28,711.60
Current	2,129.39
Non-current	26,582.21

(i) Total cash outflow for leases for the year ended 31 March 2020 was Rs. 4,778.75 lakh

(ii) Refer note 50

	As at 31 March 2020	As at 31 March 2019
4 Loans		
Unsecured, considered good (carried at amortised cost)		
Security deposits	587.39	483.00
	587.39	483.00

Refer note 47 for disclosure of fair values in respect of financial assets measured at amortised cost.

The carrying values are considered to be a reasonable approximate of their fair values.

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	As at 31 March 2020	As at 31 March 2019
5 Other financial assets		
Fixed deposits having maturity of more than 12 months	1,234.15	158.36
	1,234.15	158.36
Out of the above, fixed deposits amounting to Rs. 17.94 lakh are held as margin money towards bank guarantees.		
	As at 31 March 2020	As at 31 March 2019
6 Investment in subsidiary		
Investment in 150,00,000 (31 March 2019 : Nil) equity shares of V2 Smart Private Limited	1,500.00	-
	1,500.00	-
	As at 31 March 2020	As at 31 March 2019
7 (i) Deferred tax assets (net) [refer note 47(b)]		
Deferred tax asset arising on account of:		
Compulsory convertible debentures (CCD) of TPG Wholesale Private Limited	-	83.36
Provision for employee benefits	182.57	175.36
Carried forward losses	591.25	695.43
Lease equalisation reserve	-	171.92
Lease liabilities	356.87	-
Tax on Impact of Ind AS 116 in retained earnings	1,413.94	-
	2,544.63	1,126.07
Deferred tax liability arising on account of:		
Property, plant and equipment	4.47	25.79
Security deposits	42.15	1.28
Impact of change in rate of Income tax on retained earnings	377.05	-
	423.67	27.07
Net deferred tax assets	2,120.96	1,099.00

Notes:

(a) Movement in deferred tax assets/(liabilities) for the year ended 31 March 2020 is as follows:

Description	Opening Balance	Recognised / (reversed) through profit and loss	Recognised / (reversed) in other comprehensive income	Recognised / (reversed) in retained earnings	Closing Balance
Deferred tax assets/(liabilities) in relation to:					
Compulsory convertible debentures (CCD)	83.36	(83.36)	-	-	-
Security deposits	(1.28)	(40.87)	-	-	(42.15)
Provision for employee benefits	175.36	(10.50)	17.71	-	182.57
Carried forward business losses	394.00	197.25	-	-	591.25
Carried forward capital losses	301.42	(301.42)	-	-	(0.00)
Lease equalisation reserve	171.92	(171.92)	-	-	-
Property, plant and equipment	(110.50)	106.03	-	-	(4.47)
Investment property	84.72	(84.72)	-	-	-
Lease liabilities	-	356.87	-	-	356.87
Remeasurement of lease liabilities on account of transition to Ind AS 116	-	-	-	1,413.94	1,413.94
Tax impact on remeasurement of lease liabilities on account of transition to Ind AS 116	-	-	-	(377.05)	(377.05)
	1,099.00	(32.65)	17.71	1,036.89	2,120.96

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(b) Movement in deferred tax assets/(liabilities) for the year ended 31 March 2019 is as follows:

Description	Opening Balance	Recognised / (reversed) through profit and loss	Recognised / (reversed) in other comprehensive income	Recognised / (reversed) in retained earnings	Closing Balance
Deferred tax assets/(liabilities) in relation to:					
Compulsory convertible debentures (CCD)	83.36	-	-	-	83.36
Security deposits	9.87	(11.15)	-	-	(1.28)
Provision for employee benefits	102.82	69.09	3.44	-	175.36
Expenses not allowed in Income-tax Act, 1961	47.28	(47.28)	-	-	-
Carried forward losses	181.26	514.17	-	-	695.43
Lease equalisation reserve	101.39	70.53	-	-	171.92
Property, plant and equipment	(50.72)	24.93	-	-	(25.79)
	475.27	620.30	3.44	-	1,099.00

	Year ended 31 March 2020	Year ended 31 March 2019
7 (ii) Tax expense		
The income tax expense consists of the following:		
Current tax expense	-	76.05
Deferred tax expense/ (credit)	32.65	(620.31)
Total income tax expense	32.65	(544.26)

	Year ended 31 March 2020	Year ended 31 March 2019
(a) The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 25.6256% (March 2019 : 34.944%) and the reported tax expense in the statement of profit and loss are as follows:		
Profit before income tax	1,047.18	4,166.92
Income tax using the Company's domestic tax rate *	25.63%	34.94%
Expected tax expense [A]	268.35	1,456.09
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Tax effect of expenses not eligible for deduction		
Property, plant and equipment	106.03	24.96
Provision for lease equalisation reserve	(171.92)	70.53
Compulsory convertible debentures (CCD)	(83.36)	-
Lease liabilities	356.87	-
Security deposits	(40.87)	-
Provision for employee benefits	(10.50)	69.09
Expenses/incomes not considered in determining taxable profit	(287.76)	-
Non-deductible expenses/non-taxable income	-	30.31
Brought forward capital loss	(301.42)	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020
(All amounts in ₹ in lakh unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
Brought forward business loss	197.25	(1,118.21)
Others	-	11.49
Total adjustments [B]	(235.69)	(911.83)
Actual tax expense [C=A+B]	32.65	544.26
Tax expense recognised in statement of profit and loss	32.65	544.26
* Domestic tax rate applicable to the Company has been computed as follows		
Base tax rate	22%	30%
Surcharge (% of tax)	12%	12%
Cess (% of tax)	4%	4%
Applicable rate	25.63%	34.94%
(b) Unused tax losses and credits		
Long-term gain losses brought/carried forward		
2012-2013 (28 September 2012)	-	185.61
2016-2017	1,127.49	1,127.49
Potential tax benefit	1,127.49	1,313.10
The Group has not created deferred tax asset on long term capital losses in the absence of convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be utilised.	225.50	458.85
Unabsorbed depreciation brought/carried forward		
2010-2011 (27 September 2010)	1,897.37	1,781.99
2012-2013 (28 September 2012)	292.19	292.19
2013-2014 (30 September 2013)	117.69	117.69
	2,307.25	2,191.87
Potential tax benefit	591.25	765.93
	As at 31 March 2020	As at 31 March 2019
8 Other non-current assets		
Prepaid lease rentals	-	445.46
Advance for services (refer note 49)	1,557.65	1,564.20
Advance with service tax department	75.00	75.00
Advance paid against dispute	98.94	109.12
	1,731.59	2,193.78
	As at 31 March 2020	As at 31 March 2019
9 Income tax assets (net)		
Advance tax (net of provision of tax)	193.44	166.50
	193.44	166.50
	As at 31 March 2020	As at 31 March 2019
10 Inventories		
(Valued at lower of cost and net realisable value, unless otherwise stated)		
Stock-in-trade	19,576.37	27,064.24
Stores and consumables	39.24	43.65
	19,615.61	27,107.89

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
11 Cash and cash equivalents		
Cash in hand	83.49	369.51
Fixed deposits having remaining maturity of less than 3 months*	2,132.16	
Cash management services (CMS) receivables	-	0.55
Balance with banks:		
-in current accounts	3,830.61	458.46
	6,046.26	828.52

Notes:

(i) Other than as disclosed, there are no repatriation restrictions with respect to other bank balances as at the end of the reporting year and prior year.

(ii) The carrying values are a reasonable approximate of their fair values.

*Out of the above, fixed deposits amounting to Rs. 31.36 lakh are held as margin money towards bank guarantees.

	As at 31 March 2020	As at 31 March 2019
12 Other bank balances		
Fixed deposits having maturity of more than 3 months and less than 12 months	703.80	-
	703.80	-

Out of the above, fixed deposits amounting to Rs. 105.52 lakh are held as margin money towards bank guarantees.

	As at 31 March 2020	As at 31 March 2019
13 Other financial assets		
Current		
Advances recoverable in cash	25.18	25.20
Credit card receivables	-	78.15
	25.18	103.35

The carrying values are considered to be a reasonable approximation of fair value.

Refer note 47 for disclosure of fair values in respect of financial assets measured at amortised cost.

	As at 31 March 2020	As at 31 March 2019
14 Trade receivable		
Unsecured, considered good	1,299.28	-
	1,299.28	-

	As at 31 March 2020	As at 31 March 2019
15 Other current assets		
Prepaid expenses	53.07	7.03
Prepaid lease rent	-	64.20
Advances recoverable in kind or value to be received	68.02	43.53
Advance to suppliers	647.52	555.51
Balance with statutory authorities	1,532.94	1,989.77
Others	-	0.95
	2,301.55	2,660.99

	As at 31 March 2020	As at 31 March 2019
16 Assets held for sale		
Building and land (refer note 42(ii))	-	1,243.99
	-	1,243.99

(i) Non-recurring fair value measurements

Asset classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell at the time of re-classification. This is Level 3 measurement as per fair value hierarchy set out in fair value measurement disclosures (refer note 47).

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020
(All amounts in ₹ in lakh unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
17 Equity share capital		
Authorised		
40,000,000 equity shares of ₹ 10 each (31 March 2019 : 40,000,000 equity shares of ₹ 10 each)	4,000.00	4,000.00
Issued, subscribed and fully paid-up		
34,105,026 equity shares of ₹ 10 each (31 March 2019: 34,074,018 equity shares of ₹ 10 each)	3,410.50	3,407.40
	3,410.50	3,407.40

	31 March 2020		31 March 2019	
	No of shares	Amount	No of shares	Amount
(a) Reconciliation of number of shares				
Equity shares at the beginning of the year	34,074,018	3,407.40	33,922,684	3,392.27
Changes during the year*	31,008	3.10	151,334	15.13
Equity shares at the end of the year	34,105,026	3,410.50	34,074,018	3,407.40

(b) Terms/rights attached to equity shares/warrants

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The Board of Directors of the Company has not declared any dividend during the reporting period.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

*During the year ended 31 March 2020, the Company has made allotment of 31,008 (31 March 2019: 151,334) equity shares @ ₹ 10 per equity share to the eligible employees on exercise of employee stock option scheme.

	31 March 2020		31 March 2019	
	No of shares	% holding	No of shares	% holding
(c) Details of shareholders holding more than 5% shares in the company				
Unicon Marketing Private Limited	5,444,710	15.96%	5,444,710	15.98%
Ricon Commodities Private Limited	7,170,000	21.02%	6,940,000	20.37%
Mr. Ram Chandra Agarwal	3,207,911	9.41%	3,207,911	9.41%
Bennett Coleman and Company Limited	1,834,503	5.38%	1,834,503	5.38%
India 2020 Fund II Limited	2,200,000	6.45%	2,200,000	6.46%
	19,857,124		19,627,124	

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020
(All amounts in ₹ in lakh unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
18 Other equity		
Securities premium account		
Opening balance	29,503.16	29,191.45
Change during the year	70.93	311.71
	29,574.09	29,503.16
Capital reserve [refer note (a) below]		
Opening balance	61,043.56	61,043.56
Change during the year	-	-
	61,043.56	61,043.56
Employees' stock option outstanding account		
Opening balance	141.77	371.68
Exercised during year	(70.93)	(311.71)
Charge for the year	69.30	81.80
	140.14	141.77
Retained earnings		
Opening balance	(64,560.13)	(66,603.00)
Reversal of lease equalisation reserve	492.00	-
Remeasurement of lease liabilities on account of transition to Ind AS 116 (net of tax)	(3,009.55)	-
Net profit for the year	1,014.53	2,049.29
Remeasurement benefit of defined benefit plans (net of tax)	(51.39)	(6.42)
	(66,114.54)	(64,560.13)
	24,643.25	26,128.36

- (a) The Company restructured its business in the financial year 2010-11 resulting in creation of Capital Reserve amounting to ₹ 60,523.24 lakh. The aforementioned reserve has been reconciled except for ₹ 365.36 lakh which the Company is in the process of reconciling. However, the management believes that there is no impact of same on Statement of Profit and Loss.

Nature and purpose of other reserves

Securities premium

Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve:

This reserve represents the excess of net assets taken, over the cost of consideration paid at the time of amalgamation done in prior years. This reserve is not available for the distribution to the shareholders.

Employees' stock options outstanding account

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
19 Non-current borrowings		
Secured		
Vehicle loans from financial institutions	134.41	145.00
	134.41	145.00
Less: Current maturities of long-term borrowings (refer note 25)	58.66	44.07
	75.75	100.93

Notes:

- Vehicle loan from Volkswagen Finance Private Limited amounting to ₹ 101.71 lakh carries an interest @ 9.26% per annum repayable in thirty six equal monthly instalments ending in March 2022. The loan is secured against hypothecation of vehicle.
- Vehicle loan from ICICI Bank Limited amounting to ₹ 32.70 lakh carries an interest @ 8.70% per annum repayable in thirty six equal monthly instalments ending in February 2023. The loan is secured against hypothecation of vehicle.
- Refer note 47 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

	As at 31 March 2020	As at 31 March 2019
20 Other non-current financial liabilities		
Security deposits*	12.39	11.04
	12.39	11.04

* The above amount includes security deposits received from shop-in-shop vendors.

	As at 31 March 2020	As at 31 March 2019
21 Provisions		
Non-current		
Provision for employee benefits		
Provision for gratuity	146.18	91.25
Provision for compensated absences	90.61	74.32
	236.79	165.57

For disclosures on Gratuity and Other post employment benefit obligation, refer note 43

	As at 31 March 2020	As at 31 March 2019
22 Other non-current liabilities		
Lease equalisation reserve	-	446.41
	-	446.41

	As at 31 March 2020	As at 31 March 2019
23 Short-term borrowings		
Secured		
Working capital facility from PNB (refer note a below)	2,263.83	-
Unsecured		
Inter-corporate deposits from related parties repayable on demand (refer note b below)	-	931.20
	2,263.83	931.20

- Working capital facility of Rs. 5000 lacs from PNB carries an interest @ 10.85% per annum. This facility is secured against stock and book debts.
- Unsecured inter corporate deposits from related parties amounting to ₹ Nil (31 March 2019: 931.20) carries interest @ 9.5% per annum and is repayable on demand. The entire amount has been repaid during the year.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020
(All amounts in ₹ in lakh unless otherwise stated)

C. Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows:

Particulars	As at 1 April 2019	Cash out flows	Non cash changes		As at 31 March 2020
			Lease additions	Interest expenses	
Long-term borrowings (including current maturities)	145.00	(10.60)	-	-	134.40
Lease liabilities (including current maturities)	30,079.05	(4,778.75)	595.21	2,816.09	28,711.60
Short-term borrowings (net)	931.20	1,332.64	-	-	2,263.84
Interest accrued on borrowings	53.04	(229.48)	-	176.44	-
Issuance of equity shares	3,407.40	3.10	-	-	3,404.30
Total liabilities from financial activities	34,615.68	(3,683.08)	595.21	2,992.53	34,514.14

	As at 31 March 2020	As at 31 March 2019
24 Trade payables		
Dues to		
-micro enterprises and small enterprises	354.66	342.42
-due to others	10,581.60	13,596.06
	10,936.26	13,938.48

Due to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	31 March 2020	31 March 2019
i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount remaining unpaid	354.66	342.42
Interest accrued and remaining unpaid as at year end	6.47	4.74
ii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act	-	-
iii) Amount paid to the suppliers beyond the respective due date.	-	-
iv) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
v) Amount of interest accrued and remaining unpaid at the end of accounting period.	14.16	7.69
vi) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

	As at 31 March 2020	As at 31 March 2019
25 Other financial liabilities		
Current		
Current maturities of long-term borrowings (refer note 19)	58.66	44.07
Interest accrued but not due on borrowings	-	53.04
Sundry creditors for fixed assets	65.11	95.20
	123.77	192.31

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
26 Provisions		
Current		
Provision for gratuity	94.45	45.47
Provision for compensated absences	98.59	54.63
	193.04	100.10

For disclosures on Gratuity and Other post employment benefit obligation, refer note 43

	As at 31 March 2020	As at 31 March 2019
27 Other current liabilities		
Statutory liabilities	109.10	146.09
Advance from customers	7.03	4.59
Lease equalisation reserve	-	45.59
	116.13	196.27

	Year ended 31 March 2020	Year ended 31 March 2019
28 Revenue from operations		
Operating revenue		
Traded goods*	69,912.42	74,637.70
Other operating revenue		
Scrap sales	93.01	104.15
Display income	116.69	100.09
	70,122.12	74,841.94
* Details of sale of traded goods		
Apparels	64,876.35	69,697.68
Non-apparels	5,036.07	4,940.02
	69,912.42	74,637.70
Detail of Operating revenue by Geographical locations		
In India	69,912.42	74,637.70
Outside India	-	-
Total	69,912.42	74,637.70

	Year ended 31 March 2020	Year ended 31 March 2019
29 Other income		
Interest from:		
Other financial assets carried at amortised cost	160.84	96.94
Bank deposits	41.08	6.74
Income tax refund	-	213.78
Gain on investments carried at fair value through profit or loss (net)	-	29.92
Gain on sale of investments (net)	-	68.44
Net gain on sale of compulsory convertible debentures*	-	459.70
Gain on sale of assets (net)	-	54.45
Miscellaneous income	24.67	59.11
	226.59	989.08

*Amount represents consideration received towards sale of Compulsory Convertible debentures as part of settlement with bankers.

Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2020
(All amounts in ₹ in lakh unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
30 Purchase of stock-in-trade		
Purchase of stock-in-trade (refer note below)	43,038.36	61,675.99
	43,038.36	61,675.99
a. Details of purchase of stock-in-trade		
Apparels	42,277.71	55,983.45
Non-apparels	760.65	5,692.54
	43,038.36	61,675.99
	Year ended 31 March 2020	Year ended 31 March 2019
31 Changes in inventories of stock-in-trade		
Traded goods		
Closing stock (refer note below)	19,576.37	27,064.25
Less: Opening stock	27,064.25	16,019.07
	7,487.88	(11,045.18)
a. Details of closing stock		
Apparels	18,385.90	23,565.64
Non-apparel	1,190.47	3,498.61
	19,576.37	27,064.25
	Year ended 31 March 2020	Year ended 31 March 2019
32 Employee benefit expense		
Salaries, wages and bonus	5,542.72	6,586.11
Post-employment and other long-term benefits expense (refer note 43)	47.34	38.73
Contribution to provident and other funds	355.13	388.95
Staff welfare	216.15	386.59
Share based payments to employees (refer note 44)	69.30	81.80
	6,230.64	7,482.18
	Year ended 31 March 2020	Year ended 31 March 2019
33 Finance costs		
Interest on		
Term loans and other facilities	56.93	1.01
Unsecured loans	58.00	64.98
Loan processing charges	61.51	-
Interest on lease liabilities	2,816.09	-
	2,992.53	65.99
	Year ended 31 March 2020	Year ended 31 March 2019
34 Depreciation and amortisation		
Depreciation on property, plant and equipment	1,608.82	1,396.61
Amortization of intangible assets	80.99	45.71
Depreciation on right of use asset	3,355.28	-
	5,045.09	1,442.32

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020
(All amounts in ₹ in lakh unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
35 Other expenses		
Power, fuel and electricity	1,970.58	2,094.52
Repair and maintenance		
- Building	25.29	36.73
- Plant and machinery	14.14	8.66
- Others	262.38	240.09
Rent (refer note 50)	133.13	4,730.85
Insurance charges	28.60	29.71
Rates and taxes	91.52	40.25
Bank charges	144.62	116.70
Legal and professional	227.92	215.43
Motor vehicle expenses	3.74	8.02
Printing and stationery	44.52	88.84
Packing materials & expenses	614.20	730.93
Security service charges	194.97	314.75
Housekeeping expenses	166.69	199.67
Telephone expenses	52.25	66.63
E-Commerce expenses	42.85	-
Traveling and conveyance	163.40	289.54
Postage and telephones	3.65	6.96
Payment to auditors (refer note a below)	31.61	25.67
Directors' sitting fees	6.89	3.84
Credit cards charges	109.59	126.87
Advertisement & sales promotion	319.26	1,059.86
Commission charges	1.78	11.66
Transportation charges	1,063.76	1,552.81
Miscellaneous expenses	44.20	43.81
	5,761.54	12,042.80
	Year ended 31 March 2020	Year ended 31 March 2019
a. Auditors' remuneration		
Statutory audit (including fees for limited reviews)	23.00	24.15
Other services	6.38	-
Out of pocket expenses	2.23	1.52
	31.61	25.67
	Year ended 31 March 2020	Year ended 31 March 2019
36 Exceptional item		
Liability towards the right to recompense (refer note 42(i))	-	2,661.89
Net gain on sale of assets held for sale (refer note 42(ii))	(1,254.51)	
	(1,254.51)	2,661.89

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

37 Details of expenditure incurred in relation to CSR activities during the year

For recognition, measurement, presentation and disclosure of expenditure on activities related to CSR activities, the company has adopted the prescribed under Guidance note on "Accounting for expenditure on CSR activities" issued by ICAI on 15 May 2015. The said guidance note clearly states that no provision for the amount which is not spent for the purpose of CSR (i) in case there is shortfall in spending on CSR activities below the prescribed threshold) is required to be made in the books of account (except where the company has incurred a contractual liability in such regard).

	Year ended 31 March 2020	Year ended 31 March 2019
Average net profit of the Company for last three financial years	3,280.58	3,524.23
Prescribed CSR expenditure	65.61	70.48
Details of CSR spent during the financial year:		
Total amount to be spent for the financial year	65.61	70.48
Amount unspent, if any	65.61	70.48

38 Earnings per share

	Year ended 31 March 2020	Year ended 31 March 2019
Profit attributable to equity shareholders before exceptional items (A)	1,014.53	2,049.29
Nominal value per share	10.00	10.00
Weighted-average number of ordinary shares (basic)		
Numbers of weighted average equity share outstanding at the opening	34,074,018	33,922,684
Issued ordinary shares	31,008	138,481
Weighted average number of equity shares outstanding during the year (B)	34,105,026	34,061,165

Weighted-average number of ordinary shares (diluted)

Category	Grant date	No. of Options	
		31 March 2020	31 March 2019
D	24 October 2017	3,277	39,089
E	2 May 2018	36,896	59,540
H	27 January 2020	250,000	-
Total ESOP's granted		290,173	98,629

Particulars	31 March 2020	31 March 2019
Average price of the share	142.89	346.93
Face Value	10	10
Exercise price	10	10
Diluted shares (nos.)	20,308	2,843
Weighted average number of equity shares adjusted for the effect of dilution (C)	34,125,334	34,064,008
Basic EPS (Amount in ₹) (A/B)	2.97	6.02
Diluted EPS (Amount in ₹) (A/C)	2.97	6.02

Note:

The calculation of diluted earnings per share has been based on the profit attributable to equity shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential equity shares.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	31 March 2020	31 March 2019
39 Contingencies and commitments		
(a) Contingent liabilities		
Claims against the Company not acknowledged as debt [refer note (i) below]	2,020.60	2,087.01
Dispute under sales tax law (matters under appeal) [refer note (ii) below]	2,774.48	2,774.48
Dispute under service tax law (matters under appeal) [refer note (iii) below]	302.08	302.08
<p>(i) The Company has certain cases/disputes aggregating to ₹ 2,020.60 lakh (31 March 2019 ₹ 2,087.01 lakh) 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 of succeeding and accordingly, no provision has been recognised in these financial statements.</p> <p>(ii) The Company has certain litigations related to Sales tax and Values added tax (VAT) pending under Rajasthan Value Added Tax Act, 2003 aggregating to ₹ 492.83 lakh (31 March 2019 ₹ 492.83 lakh), West Bengal Value Added Tax Act, 2003 aggregating to ₹ 2,250 lakh (31 March 2019 ₹ 2,250 lakh), The Assam Value Added Tax Act, 2003 aggregating to ₹ 7.2 lakh (31 March 2019 ₹ 7.2 lakh) and The Uttar Pradesh Value Added Tax Act, 2008 aggregating to ₹ 24.45 lakh (31 March 2019 ₹ 24.45 lakh). 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 of succeeding and accordingly, no provision has been recognised in these financial statements.</p> <p>(iii) The Company has pending litigation related to service tax under Finance Act, 1994 amounting to ₹ 302.08 lakh (31 March 2019 ₹ 302.08 lakh). 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 of succeeding and accordingly, no provision has been recognised in these financial statements.</p> <p>(iv) Out of contingent liabilities existing as at 31 March 2020 as disclosed above, certain cases amounting to ₹ 2,455.18 lakh (31 March 2019 ₹ 2,512.37 lakh) comprising of claims against the Company not acknowledged as debt of ₹ 1,937.90 lakh (31 March 2019 ₹ 1,995.09 lakh) and Value added tax related disputes aggregating ₹ 517.28 lakh (31 March 2019 ₹ 517.28 lakh) [(included in point (i) and (ii) above) are under appeal with different authorities at different levels for which the management does not have necessary details and information. Whilst the impact of these contingent liabilities on the financial statements can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances of succeeding and accordingly, no provision has been recognised in the financial statements.</p>		
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	12.90	270.00

40 Segment information

In accordance with Ind AS 108, the Board of directors, being the Chief operating decision maker of the Company, has determined that the Company is engaged in the business of retail trade of garments, textiles and accessories in India and there are no separate reportable segments as per Ind AS 108. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial statement. The Company's operations are such that all activities are confined only to India and there are no customers accounting for more than 10% of its revenue.

41 During the year ended 31 March 2020, the management has recorded additional provision amounting to ₹ 1,029.25 lakh for expected loss for sale of old inventory taking into account most reliable information available at the reporting date and in view of management the provision is adequate.

42 Exceptional item (liability towards the right to recompense)

- (i) Exceptional items amounting to ₹ 2,661.89 lakh for the year ended 31 March 2019 represents, one time settlement amount which the Company has paid to the lenders for relinquishing their Right of Recompense (ROR) for the sacrifices made by them in Financial year 2010-2011 under the Corporate Debt Restructuring (CDR) package vide Master Restructuring Agreement (MRA) entered into in November, 2010.
- (ii) During the year ended 31 March 2020, the Company had sold its property situated at Hubli, Karnataka, having book value of Rs. 1,243.99 lakhs at a sale consideration of Rs. 2,448.50 lakhs. The gain on sale of above property amounting to Rs. 1,254.51 lakhs has been recorded as exceptional item in these financial statements. This gain also includes advance received from one of the prospective buyers amounting to Rs. 50 lakhs and forfeited by the Company on account of failure on the part of prospective buyers to finalize the transaction in accordance with the terms of agreement to sell entered between both the parties.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

43 Gratuity and other post employment benefit plans

Particulars	31 March 2020		31 March 2019	
	Current	Non-current	Current	Non-current
Gratuity	94.45	146.18	45.47	91.25
	94.45	146.18	45.47	91.25

A Gratuity

The Company operates gratuity plan where in every employee is entitled to benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vests after five years of continuous service. Gratuity benefits valued were in accordance with the payment of Gratuity Act, 1972.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the Gratuity plan:

(i) Amount recognised in the statement of profit and loss is as under:

Description	31 March 2020	31 March 2019
Current service cost	36.82	31.35
Interest cost	10.52	7.38
Amount recognised in the statement of profit and loss	47.34	38.73

(ii) Changes in the present value of the defined benefit obligation are as follows :

Description		
Present value of defined benefit obligation as at the start of the year	136.73	107.94
Current service cost	36.82	31.35
Interest cost	10.52	7.38
Actuarial loss/(gain) recognised during the year	69.10	9.86
Benefits paid	(12.54)	(19.80)
Present value of defined benefit obligation as at the start of the year	240.63	136.73

(iii) Amount recognised in Other comprehensive income is as under:

Description		
Actuarial (gain)/loss on arising from change in demographic assumption	0.01	-
Actuarial (gain)/loss on arising from change in financial assumption	5.82	0.83
Actuarial (gain)/loss on arising from experience adjustment	63.27	9.03
Total actuarial (gain)/loss	69.10	9.86

(iv) The principal assumptions used in determining gratuity benefit obligations for the Company are shown below

Description		
Discount rate	5.04%	6.84%
Retirement age	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	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.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	31 March 2020	31 March 2019
(v) Sensitivity analysis for gratuity liability		
Description		
Impact of the change in discount rate		
Present value of obligation at the end of the year	240.63	136.73
- Impact due to increase of 0.50 %	(2.20)	(1.38)
- Impact due to decrease of 0.50 %	2.25	1.41
Impact of the change in salary increase		
Present value of obligation at the end of the year	240.63	136.73
- Impact due to increase of 0.50 %	1.87	1.35
- Impact due to decrease of 0.50 %	(1.34)	(1.34)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

	31 March 2020	31 March 2019
Expected contribution		
Expected contribution to Gratuity in next year	5,277,448	3,932,751
(vi) Maturity profile of defined benefit obligation (undiscounted)		
Description		
Within next 12 months	94.45	45.47
Between 2-5 years	122.81	62.09
Beyond 5 years	23.37	29.16

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 increase considered takes into account the inflations, seniority, promotion and other relevant factors on long term basis.
- 3 The weighted average duration to the payment of these cash flows is 1.40 years.

B Defined contribution scheme

The Company's state governed provident fund scheme, employee state insurance scheme and labour welfare fund scheme are considered as defined contribution plans. The contribution under the schemes is recognised as an expense in the statement of profit and loss, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective funds. The amount of contribution made by the Company to employees' provident fund is ₹ 257.24 lakh (31 March 2019: ₹ 242.05 lakh)

C Other long term employee benefits

	31 March 2020	31 March 2019
Long term compensated absences		
Principal assumptions for long term compensated absences		
Discount rate	5.04%	6.52%
Retirement age	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	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	30.00%	50.00%
Rate of increase in compensation	10.00%	10.00%

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

44 Share based payment

During the year ended 31 March 2020, the Company has granted 250,000 (31 March 2019 : 245,590) (net of ESOP lapsed during the year) employee stock options ("ESOP") as per scheme approved by "Nomination and Remuneration Committee", at an exercise price of ₹ 10 per option. Further, out of 98,630 (31 March 2019 : 227,709) ESOP outstanding as at the beginning of the year, the Company has forfeited 27,450 (31 March 2019 : 223,335) ESOP & the Company has issued shares for 31,008 (31 March 2019 : 151,334) ESOP exercised. Total outstanding ESOP at the year ended 31 March 2020 are 290,172 (31 March 2019 : 98,630). The vesting period of the ESOP is ranging from 15 months to 36 months. The granted options can be exercised after vesting at any time before the expiry of 3 months from vesting date. An amount of ₹ 69.30 lakh (31 March 2019 : 81.80 lakh) has been recorded 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 :

As at 31 March 2020 the Holding Company had the following outstanding share based payment arrangements

Particulars	Tranche -IV	Tranche-V	Tranche-VI
No. of Options	3,277	36,895	250,000
Method of Accounting	Fair Value	Fair Value	Fair Value
Vesting Date	23 October 2020	1 May 2021	1 May 2021
Exercise Period On initiation of exercise period	22 January 2021	31 July 2021	31 July 2021
Grant Date	24 October 2017	2 May 2018	27 January 2020
Exercise price per share (₹)	10	10	10
Market price on the date of granting of option (₹)	460.30	415.35	114.10
Method of settlement	Cash	Cash	Cash

b) Movement of option granted

Particulars	31 March 2020		31 March 2019	
	Number of options	Weighted average price	Number of options	Weighted average price
Options Outstanding at the beginning of the year	98,630	352.76	227,709	262.71
Granted during the year (net of lapsed)	250,000	114.10	245,590	415.35
Exercised during the year	31,008	238.75	151,334	237.74
Forfeited during the year	27,450	384.58	223,335	415.35
Options outstanding during the year	290,172	156.31	98,630	352.76
Options unvested at the end of the year	290,172	156.31	-	-
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 -IV	Tranche-V	Tranche-VI
Risk free Interest Rate (%)	6.00	7.40	5.40
Life (Years)	3.06	3.10	1.40
Expected Volatility (%)*	60.44	62.50	60.00
Expected Dividend Yield (%)	-	-	-
Weighted average Fair Value Per Option (₹)	459.93	427.80	104.80

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.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

45 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

Assets and liabilities related to contracts with customers

Description	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance from customers	-	7.03	-	4.59
Contract receivables related to sale of goods				
Trade receivables	-	1,299.28	-	-

Significant changes in contract assets and liabilities

There has been no significant changes in contract assets/contract liabilities during the year.

Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes.

Description	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance	4.59	-
Addition during the year	7.03	4.59
Revenue recognised during the year	(4.59)	-
Closing balance	7.03	4.59

Disaggregation of revenue

Revenue arises mainly from the sale of traded goods:

Description	31 March 2020	31 March 2019
(A) Sale of goods		
Revenue from sale of goods	69,912.42	74,637.70
(B) Other ancillary revenue		
Scrap sales	93.01	104.15
Display income	116.69	100.09
	70,122.12	74,841.94

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020
(All amounts in ₹ in lakh unless otherwise stated)

46 Related party disclosures

(a) Wholly owned subsidiary company

V2 Smart Manufacturing Private Limited (Wholly Owned Subsidiary) [incorporated on 25 October 2019]

(b) Directors

Mr. Ram Chandra Agarwal (Chairman and Managing Director)

Mrs. Uma Agarwal (Director)

Mr. Akash Agarwal (Director) and (Chief Financial Officer w.e.f 25 June 2020)

Mr. Jitender Yadav (Non-executive director) [upto 27 January 2020]

Mr. Lalan Yadav (Non-executive director) [upto 27 January 2020]

Mrs. Rochelle Susanna Dsouza [w.e.f. 28 November 2018]

Mr. Siya Ram (Non-executive director) [upto 03 January 2020]

Mr. Ravinder Kumar Sharma (Non-executive director) [upto 13 April 2019]

Mr. Harbir Singh Sidhu (Non-executive Director) [w.e.f 30 April 2019]

Ms. Archana Surendra Yadav (Non-executive Director) (w.e.f. 27 January 2020)

Dr. Arun Kumar Roopanwal (Non-executive Director) [w.e.f. 27 January 2020]

Mr. Lalit Kumar (Non-executive Director) [w.e.f. 27 January 2020]

(c) Key managerial personnel

Mr. Manshu Tandon (Chief Executive Officer) [w.e.f. 27 January 2020]

Mr. Umesh Kumar (Company Secretary and Compliance Officer) [upto 30 November 2019]

Ms. Jagpreet Kaur (Company Secretary and Compliance Officer) [w.e.f. 02 January 2020 upto 17 June 2020]

Mr. Vipin Kaushik (Chief Financial Officer) [upto 15 July 2019]

Mr. Sudhir Kumar (Company Secretary and Compliance Officer) [w.e.f. 25 June 2020]

(d) Companies in which Directors and Key Management Personnel or their relatives have control or significant influence

Unicon Marketing Private Limited

Ricon Commodities Private Limited

V2 Conglomerate Private Limited

Vishal Water World Private Limited

(d) Summary of transactions with related parties:

S. No.	Particulars	31 March 2020	31 March 2019
1	Loans accepted		
	Ricon Commodities Private Limited	-	155.00
	Vishal Water World Private Limited	-	255.00
	V2 Conglomerate Limited	191.00	2,038.20
2	Loans repaid (including interest)		
	Ricon Commodities Private Limited	-	155.00
	Vishal Water World Private Limited	-	255.00
	V2 Conglomerate Limited	1,232.23	1,107.00
3	Interest expense on loans taken		
	Vishal Water World Private Limited	-	2.53
	V2 Conglomerate Limited	58.00	52.03
	Ricon Commodities Private Limited	-	3.92
4	Remuneration		
	Mr. Ram Chandra Agarwal	58.75	60.00
	Mrs. Uma Agarwal	58.75	60.00
	Mr. Akash Agarwal	48.75	36.00

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

S. No.	Particulars	31 March 2020	31 March 2019
	Mr. Manshu Tandon	14.18	71.22
	Mr. Vipin Kaushik*	9.17	24.18
	Mr. Umesh Kumar*	10.94	17.30
	Mrs. Jagpreet Kaur	1.73	-
5	Expenses incurred during the year		
	Vishal Water World Private Limited	-	1.83
6	Sales of property, plant and equipment during the year		
	Vishal Water World Private Limited	-	13.99
	V2 Smart Manufacturing Private Limited	243.52	-
7	Sales of Traded goods during the year		
	Vishal Water World Private Limited	-	4.04
	V2 Smart Manufacturing Private Limited	1,055.07	-
8	Purchase of property, plant and equipment during the year		
	Vishal Water World Private Limited	-	16.20
9	Purchase of traded goods during the year		
	V2 Smart Manufacturing Private Limited	291.07	-
10	Investment during the year		
	V2 Smart Manufacturing Private Limited	1,500.00	-
11	Sitting fees		
	Mr. Jitender Yadav	0.80	0.96
	Mr. Lalan Yadav	0.80	0.96
	Mr. Ravinder Kumar Sharma	0.08	0.96
	Mr. Siya Ram	0.64	0.96
	Mr. Harbir Singh Sidhu	1.56	-
	Ms. Archana Surendra Yadav	1.00	-
	Dr. Arun Kumar Roopanwal	1.00	-
	Mr. Lalit Kumar	1.00	-
12	Balance outstanding as at the year end:		
	Loan payable		
	V2 Conglomerate Limited	-	931.20
	Trade receivable		
	V2 Smart Manufacturing Private Limited	1,298.59	-
	Interest payable		
	V2 Conglomerate Limited	-	52.03
13	Maximum amount outstanding at any time during the year		
	Ricon Commodities Private Limited	-	155.00
	Vishal Water World Private Limited	-	255.00
	V2 Conglomerate Limited	1,135.50	1,119.20

*excludes the amount charged/reversed to the consolidated statement of profit and loss on grant/forfeiture of employee stock options.

Summary of significant accounting policies and other explanatory information

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47 Fair value disclosures

A Financial instruments by category

Particulars	31 March 2020			31 March 2019		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial assets measured at amortised cost						
Security deposits	-	-	587.39	-	-	483.00
Cash and bank balances	-	-	6,750.06	-	-	828.52
Trade receivables	-	-	1,299.28	-	-	-
Other financial assets	-	-	1,259.33	-	-	261.71
Total	-	-	9,896.06	-	-	1,573.23
Financial liabilities measured at amortised cost						
Borrowings	-	-	2,339.58	-	-	1,032.12
Lease liabilities	-	-	28,711.60	-	-	-
Trade payable	-	-	10,936.26	-	-	13,938.47
Other financial liabilities	-	-	136.16	-	-	203.31
Total	-	-	42,123.59	-	-	15,173.90

B Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into two categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value of instruments measured at amortised cost

C cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	31 March 2020		31 March 2019	
	Carrying value	Fair value	Carrying value	Fair value
Security deposits	1,125.65	587.39	1,026.20	483.00
	1,125.65	587.39	1,026.20	483.00

The management assessed that fair values of cash and bank balances, trade receivables, trade payables, Interest accrued on bank deposits with banks, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of loans, borrowings and other financial assets and liabilities are considered to be the same as their fair values, as there is an immaterial change in the lending rates.

47(a) Financial risk management

i) Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Recognised variable rate financial liabilities denominated in Indian rupee (INR)	Cash flow forecasting	Company is in the process of reducing the debt component to reduce the interest rate risk

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,
- loans and receivables carried at amortised cost, and
- deposits with banks

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk:

Credit rating	Particulars	31 March 2020	31 March 2019
A: Low	Loans	587.39	483.00
	Other financial assets	1,259.32	261.71
	Trade receivables	1,299.28	-
	Cash and bank balances	6,750.06	828.52

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020
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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.

31 March 2020	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	2,322.49	75.75	-	2,398.23
Trade payable	10,936.26	-	-	10,936.26
Lease liabilities	4,756.06	9,795.29	30,248.31	44,799.66
Other financial liabilities	65.12	12.39	-	77.51
Total	18,079.92	9,883.43	30,248.31	58,211.67

31 March 2019	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	975.27	100.93	-	1,076.20
Trade payable	13,938.48	-	-	13,938.48
Other financial liabilities	148.23	11.04	-	159.27
Total	15,061.99	111.97	-	15,173.96

C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	31 March 2020	31 March 2019
Variable rate borrowing	2,263.83	-
Fixed rate borrowing	134.40	1,129.24
Total borrowings	2,398.23	1,129.24

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	31 March 2020
Interest sensitivity*	
Interest rates – increase by 100 basis points	22.64
Interest rates – decrease by 100 basis points	(22.64)

* 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.

- 47(b) The Company has recognised deferred tax assets arising from unabsorbed depreciation and business losses to the extent there is reasonable certainty the Company would be able to realise the deferred tax assets against future taxable income.

48 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 2020 and 31 March 2019 are as follows.

Particulars	31 March 2020	31 March 2019
Total borrowings	2,398.23	1,076.20
Less: cash and cash equivalents	6,750.06	828.52
Net debt	(4,351.83)	247.68
Total equity	28,053.75	29,535.76
Adjusted net debt to adjusted equity ratio	-15.51%	0.84%

49 Advertising advance to Bennett, Coleman and Company Limited (BCCL)

As on 31 March 2020, the Company has paid an advance of ₹ 1,557.65 lakh to BCCL against Advertisement contract entered by the Company with the BCCL. The above advance would be adjusted against advertisement expense to be incurred by the Company in future. The Advertisement contract is effective till July 2021. The Company is currently evaluating various advertisement opportunities to utilize the above advance within the contractual period.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020
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50 Ind AS 116 - Leases

The Company has leases for the office, warehouse, retail stores and others. With the exception of short-term leases and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. There are no restrictions imposed on the Company under the lease arrangement. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

A Lease payments not included in measurement of lease liability

Particulars	31 March 2020
Expenses relating to short term leases (included in other expenses)	133.13
Total	133.13

B Impact on transition

- The Company has adopted Ind AS 116 'Leases' from 1 April 2019.
- Ind AS 116 'Leases' replaces Ind AS 17 'Leases' along with three Interpretations (Appendix A 'Operating Leases-Incentives', Appendix B 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease' and Appendix C 'Determining whether an Arrangement contains a Lease'). The Company has used the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and taken the cumulative adjustment to retained earnings, on the date of initial application (1 April 2019). Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted.
- For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and Appendix C.
- On adoption of Ind AS 116, the Company recognised lease liabilities and right of use assets in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 'Leases', except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.
- Lease liabilities are measured at the present value of the lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 9.63% per annum.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 01 April 2019. Also, the Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases. Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particulars	Total
Total operating lease commitments disclosed as at 31 March 2019	43,659.26
Other adjustments relating to lease commitment disclosures	
- Contractual payments of non-lease components accounted for as part of single lease component	-
- In substance fixed payments considered as part of lease liabilities	-
Operating lease liabilities before discounting	43,659.26
Discounting impact (using incremental borrowing rate)	(13,580.21)
Total lease liabilities recognised under Ind AS 116 at 1 April 2019	30,079.05

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term (in years)
Office	1	1 year	1 year
Stores	77	1-16.5 Year	8.2 Years
Warehouse	2	1-4.4 Year	2.4 Years

The following are amounts recognised in statement of profit and loss:

Particulars	Year ended 31 March 2020
Amortisation expense of right-of-use assets	3,355.28
Interest expense on lease liabilities	2,816.09
Rent expense	133.13
Total	6,304.50

The following is a reconciliation of the financial statement line items from Ind AS 17 to Ind AS 116 as at 1 April 2019:

(₹ in lakhs)

	Carrying amount at 31 March 2019	Remeasurement	Ind AS 116 carrying amount at 1 April 2019
Right-of-use assets	-	26,501.43	26,501.43
Lease liabilities	-	30,079.05	30,079.05
Lease equalisation reserve	492.00	(492.00)	-
Deferred tax assets	1,099.00	1,036.89	2,135.89
Retained earnings	(64,560.13)	(3,009.55)	(67,569.68)
Other non-current assets- Prepaid lease rental	445.46	(445.46)	-
Other current assets- Prepaid lease rental	64.20	(64.20)	-
Total	(27,656)	(2,915)	(30,571)

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

- 51 During the current year, the managerial remuneration paid by the Holding Company to its Managing Director and Whole Time Director is in excess of limited laid down under Section 197 of the Companies Act, 2013 ('the Act') read with Schedule V to the Act. The Company will seek approval from the shareholders at the ensuing Annual General Meeting. However, the above remuneration has been approved by Remuneration Committee in its meeting held on 24 June 2020.
- 52 World Health Organization (WHO) declared outbreak of Corona virus disease (COVID-19) a global pandemic. Consequent to this, Government of India has declared lockdown i.e., 24 March 2020 which is causing significant economic slowdown and disruptions of business operations. This has also temporarily impacted the business activities of the Company such as closure of stores and warehouse, disruption of supply chain, etc. The Company has prepared cash flow projections to assess the cash flow requirements and funds available from various sources including bank borrowings etc. for next 12 months. The management has also considered the possible effects of the pandemic on the carrying values of assets and the business forecasts. In developing the assumptions relating to the possible impacts of this pandemic and cash flow projections, the Company has used internal and external information up to the date of approval of these financial results and current indicators of future economic conditions. The Company expects to recover the carrying amount of these assets and have sufficient liquidity for business operations for at least another twelve months. The impact of the pandemic on the Company's financial results may differ from that estimated as at the date of approval of these financial results and the management will continue to closely monitor any material changes arising of future economic conditions and impact on its business.
- 53 The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Liabilities (net) as at 31 March 2019 and estimate of tax expense for the year ended 31 March 2020 have been re-measured. The resultant impact is being recognised over the financial year. Consequently, tax expense for the year ended 31 March 2020 includes a one time charge of Rs. 394.20 lakh.
- 54 During the year, V2 Smart Manufacturing Private Limited ('VSMPL' or 'the subsidiary') has been incorporated (on 25 October 2019) as a wholly owned subsidiary of V2 Retail Limited ('the Holding company'). VSMPL is in the business of manufacturing of apparels. It was incorporated on 25 October 2019 and has commenced its business on 12 November 2019.
- 55 No adjusting or significant non-adjusting events have occurred between the 31 March reporting date and the date of authorisation.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: New Delhi
Date: 25 June 2020

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

Ram Chandra Agarwal
Chairman and Managing Director
DIN: 00491885

Akash Agarwal
Whole Time Director and
Chief Financial Officer
DIN: 03194632

Place: New Delhi
Date: 25 June 2020

Manshu Tandon
Chief Executive Officer

Sudhir Kumar
Company Secretary and
Compliance Officer
M.No. A25125

Independent Auditor's Report

To the Members of V2 Retail Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of V2 Retail Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in Note 16(a) to the accompanying consolidated financial statements, the Holding Company's other equity as at 31 March 2020 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 Holding 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 consolidated financial statements.
4. As stated in Note 37(iv) to the accompanying consolidated financial statements, the Holding

Company's contingent liabilities as at 31 March 2020 include an amount of 2,455.18 lakhs which relates to litigations pending with various authorities, for which the Holding Company's management has not been able to provide necessary evidence in relation to probability of outflow of resources embodying economic benefits. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts as a provision or a contingent in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and profit as at and for the year then ended.

5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 18 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

6. We draw attention to Note 52 of the accompanying consolidated financial statements, which describes relating to the effect of COVID-19 pandemic outbreak and the management's evaluation of the impact on the consolidated financial of the Group as at the balance sheet date. The extent of the impact of these uncertainties on the Group's operations is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.

Key Audit Matter(s)

7. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements, were of most significance in our audit of the financial statements of the current period. These matters were addressed

in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

8. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Existence and valuation of Inventories</p> <p>Refer note 1 (vi) (k) for significant accounting policy and note 9 for the financial statement disclosure.</p> <p>At the end of each reporting period, management of the Group assesses whether there is adequate provision for inventory losses on account of lower net realizable value and obsolete inventory.</p> <p>The management applies judgement in determining appropriate provisions for inventory losses which include:</p> <ol style="list-style-type: none"> Applying specific identification process to ascertain slow moving and obsolete inventory. Assessing the net realizable value of such slow moving and obsolete inventory. <p>In addition to the above, the management adopts a cyclical count for physical verification of inventory which is a complex exercise owing to the nature of the inventory and the multiple locations covered in such cyclical counts.</p> <p>Further, due to outbreak of the COVID-19, there was a lockdown enforced in the country at year end and several restrictions were imposed by the respective state governments across India on travel and movement considering public health and safety measures which resulted into complexities for the management to carry out the physical verification of inventory as per the cyclical count plan.</p> <p>Considering the aforesaid complexities involved in cyclical physical verification of inventory which required us to undertake alternate audit techniques as described in this key audit matter, and significant management judgements and estimates required with respect to allowance for inventory loss, existence and valuation of inventory was determined to be a key audit matter for the current year audit.</p>	<p>Our audit included, but was not limited to, the following audit procedures over inventory existence and valuation:</p> <ul style="list-style-type: none"> Understood the management process for cyclical physical counts, identification of slow moving, non-moving or obsolete inventories and determining net realisable value, and evaluated whether such processes are consistently followed. Evaluated design and tested the operating effectiveness of controls implemented around above mentioned processes throughout the year. <p><u>Cyclical physical counts and physical count performed subsequent to year end:</u></p> <ul style="list-style-type: none"> Inspected management's inventory count records and observed physical inventory verification for locations selected based on materiality and risk considerations. Tested the roll-forward of the cyclical counts performed by the management for locations where such counts were performed before the year end. Appointed an independent firm of Chartered Accountants for providing direct assistance in carrying out physical verification of the inventory on a sample basis subsequent to the balance sheet date and supervised and reviewed the work performed by them using audio / video conferencing facilities. Performed roll-back procedures by verification of movement between the year-end date and sample test count date with the supporting documents which included purchase invoice, sales invoice, dispatch register, gate inward/outward register, etc. to substantiate the existence of inventory as at the reporting date; Tested the adjustment made in the books of accounts basis the results of the physical counts performed by the management. <p><u>Slow-moving/obsolete inventory provisions:</u></p> <ul style="list-style-type: none"> Tested inventory ageing obtained through system reports, where applicable. Obtained from management the list of slow and non-moving inventories identified as on 31 March 2020 and their corresponding expected sales in future periods. Tested the computation for allowance for slow-moving, non-moving and obsolete inventories by performing an independent age-wise analysis of

	<p>the inventory line items along with specific inquiries with the management with respect to planned sales, corroborating the same with our prior experience and understanding of the business.</p> <ul style="list-style-type: none"> Tested the net realizable value of traded goods inventory on a sample basis to recent selling prices. Compared and assessed the actual utilization/sales to the previous estimates done by the management in prior periods to determine the efficacy of the process of estimation by the management. <p>Obtained written representations from management on the completeness and adequacy of inventory allowance as at the year end.</p>
<p>Adoption of Ind AS 116 effective from 1 April 2019</p> <p>Refer note 1 (vi) (h) for significant accounting policy and note 49 for the financial statement disclosure.</p> <p>The Group has adopted Ind AS 116, "Lease" effective 1 April 2019, which replaces the existing standard Ind AS 17. The Group has chosen to apply the 'modified retrospective approach' on the date on initial recognition and recognised the cumulative adjustments in retained earnings.</p> <p>At the end of the reporting period, management of the Group has recognised the Right of Use asset (ROU) and corresponding lease liability. Management has also assessed the impairment of ROU asset recognised in books of account.</p> <p>The Group has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at 30,079.05 lakhs and accordingly recognised right-of-use assets at 26,501.43 lakhs by adjusting retained earnings by 2,632.39 lakhs (net of tax), including adjustments for prepaid rent, as at the aforesaid date.</p> <p>In order to compute the transition impact of Ind AS 116, a significant data extraction exercise was undertaken by management to summarize all property and equipment lease data. The determination of transition impact involved application of significant judgements and estimates including determination of leases, lease term including termination and renewal option, use of practical expedients, and discount rates for each lease.</p> <p>Owing to the volume of the lease contracts, materiality of the impact of implementation of this new standard and the estimates involved, we have considered this matter to be a key audit matter in our audit.</p>	<p>Our audit included, but was not limited to, the following audit procedures:</p> <ul style="list-style-type: none"> Understood the management process for identification of leasing arrangements which are considered to be within the scope of Ind AS 116, Leases and evaluated whether such processes are consistently followed. Evaluated design and tested the operating effectiveness of controls implemented around above mentioned processes throughout the year. Reviewed the overall impact analysis prepared by the Group including completeness of lease contracts, lease term and application of practical expedients Tested the reasonableness of key assumptions including discount rates and lease term and measurement principals used to calculate the lease obligation. Tested the accuracy of the lease data by testing the lease data captured by management for a sample of leases through the inspection of lease documentation Verified the accuracy of the underlying lease data used to calculate the transitional impact, by agreeing a representative sample of leases to original contracts or other supporting information; Verified the integrity and arithmetical accuracy of Ind AS 116 calculations for each sample, through recalculation of the Ind AS 116 adjustments. Evaluated the appropriateness and adequacy of disclosures made in the financial statements with respect to Lease liability and Right of Use Assets recorded during the year, in conformity with the Ind AS 116. <p>Obtained written representations from management on the completeness of lease data and adequacy of impairment provision as at the year end.</p>

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

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

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

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

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

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

10. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls,

that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

11. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
12. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

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

audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
16. We also provide those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

18. We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets of 4,113.74 lakhs and net assets of 1,349.79 as at 31 March 2020, total revenues of 291.07 lakhs and net cash inflows amounting to 2.97 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

19. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company has paid remuneration to its managing director and whole time directors in excess of the limits laid down under the provisions of section 197 read with Schedule V to the Act by 106.25 lakhs for the year ended 31 March 2020, which is subject to approval of the shareholders by special resolution in the ensuing Annual General Meeting in accordance with the provisions of section 197(1) read with Schedule V of the Act, as mentioned in note 51 to the accompanying consolidated financial statements.

Further, based on the consideration of the report of the other auditor, referred to in paragraph 18, on separate financial statements of the subsidiary, we report that the subsidiary company, covered under the Act paid remuneration to their directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

20. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditor on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:

- a) we have sought and except for the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matter(s) described in paragraph 3 and paragraph 4 of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company;
- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) except for the possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) the qualifications relating to the maintenance of accounts and other matters connected

therewith are as stated in paragraph 3 and paragraph 4 of the Basis for Qualified Opinion section with respect to the Holding Company;

- g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; and
- 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary:
 - i. except for the possible effects of the matter described in paragraph 4 of the Basis for Qualified Opinion section, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as at 31 March 2020, as detailed in Note 37 to the consolidated financial statements;
 - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company covered under the Act, during the year ended 31 March 2020; 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 consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Rohit Arora
Partner
Membership No.: 504774
UDIN: 20504774AAAACW5075

Place: New Delhi
Date: 25 June 2020

Annexure I

Independent Auditor's Report on the internal financial controls with reference to financial statements 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 consolidated financial statements of V2 Retail Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Control 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 Holding Company's internal financial controls with reference to consolidated financial statements as at 31 March 2020:
 - a) The Holding 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 consolidated financial statements.
 - b) The Holding 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 internal financial controls with reference to consolidated financial statements, 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 and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects,

adequate internal financial controls with reference to financial statements as at 31 March 2020, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2020.

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 consolidated financial statements of the Company as at and for the year ended 31 March 2020, and these material weaknesses as mentioned in para 8 have affected our opinion on the consolidated financial statements of the Company and we have issued a qualified opinion on the consolidated financial statements.

Other Matter

12. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of 4,113.73 lakhs and net assets of 1,349.78 lakhs as at 31 March 2020, total revenues of 291.07 lakhs and net cash inflows amounting to 2.97 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company, have been audited by other auditors whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company, is based solely on the reports of the auditors of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Rohit Arora
Partner
Membership No.: 504774
UDIN: 20504774AAAACW5075

Place: New Delhi
Date: 25 June 2020

ANNEXURE I**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Consolidated Financial Results**

Figure in Rs. Lakh, except for per share data

Statement on impact of audit qualifications for the financial year ended 31 March 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1.	Turnover /total income	70,370.14	70,370.14
	2.	Total expenditure	70,757.55	70,757.55
	3.	Net profit for the period	878.17	878.17
	4.	Earnings per share	2.57	2.57
	5.	Total assets	72,052.34	72,052.34
	6.	Total liabilities	44,134.94	44,134.94
	7.	Net worth	27,917.40	27,917.40
	8.	Any other financial item (as felt appropriate by the management)	Nil	Nil
II. Audit qualification (each audit qualification separately)				
a. Details of audit qualifications:				
The audit report of statutory auditors includes following qualifications on the audited financial statements/ results:				
(i) As stated in Note 4 to the accompanying financial results, the Holding Company's other equity as at 31 March 2020 includes an amount of Rs. 365.36 lakh in the nature of capital reserve arising out of business restructuring carried out in earlier years, for which the Holding Company's management has not been able to provide necessary reconciliation and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid balance, and the consequential impact, if any, on the financial results. This matter was also modified in our audit report on the financial results for the year ended 31 March 2019.				
(ii) As stated in Note 5 to the accompanying financial results, the Company's contingent liabilities as at 31 March 2020 include an amount of Rs. 2,455.18 lakh relating to litigations pending with various authorities, for which the Holding Company's management has not been able to provide necessary details and information. In the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness and classification of the aforesaid amounts including management's evaluation of likely outcome of such litigations in accordance with Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" and the consequential impact, if any, on the total liabilities and loss as at and for the year then ended. This matter was also modified in our audit report on the financial results for the year ended 31 March 2019.				
b. Type of audit qualification: Qualified Opinion/Disclaimer of Opinion/Adverse Opinion				
Qualified opinion				
c. Frequency of qualification: Whether appeared first time/repetitive/since how long continuing				
Repetitive- Qualification stated in (i) is continuing from the financial year ended 31 March 2011.				
Qualification stated in (ii) is continuing from the financial year ended 31 March 2012. However, the figure mentioned has been updated.				

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- d. **For audit qualification(s) where the impact is quantified by the auditor, Management's Views:**
Management's view: not applicable
- e. **For audit qualification(s) where the impact is not quantified by the auditor:**
(i) Management's estimation on the impact of audit qualification:
Not quantified
- (ii) If management is unable to estimate the impact, reasons for the same:**
- a) The Holding Company restructured its business in the financial year 2010-11 resulting in creation of capital reserve amounting to Rs. 60,523.24 lakh. The aforementioned reserve has been reconciled except for Rs. 365.36 lakh which the Holding Company is in the process of reconciling. However, the management believes that there is no impact of the same on statement of profit and loss.
- b) Out of contingent liabilities existing as at 31 March 2020, certain liabilities aggregating to Rs. 2,455.18lakh 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 Holding Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial results.
- (iii) Auditor's comments on (i) and (ii) above:**
Since management could not ascertain the impact, the auditors have given qualifications in their auditor's report.
-

III Signatories:

Yours Sincerely,
For V2 Retail Limited

Sd/-
Mr. Ram Chandra Agarwal
Chairman & Managing Director
DIN00491885

Sd/-
Mr. Akash Agarwal
Chief Financial Officer

Sd/-
Mr. Lalit Kumar
Audit Committee Chairman

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

Sd/-
Rohit Arora
Partner
Membership No. 504774

Place: New Delhi
Date: 25 June 2020

Consolidated Balance Sheet as at 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	Note	As at 31 March 2020
ASSETS		
Non-current assets		
Property, plant and equipment	2	9,222.37
Intangible assets	3 (i)	124.45
Intangible assets under development	3 (ii)	411.47
Right of use assets (ROU)	3 (iii)	24,532.50
Financial assets		
Loans	4	601.79
Other financial assets	5	2,282.59
Deferred tax assets (net)	6	2,164.68
Other non-current assets	7	1,731.59
Income tax assets (net)	8	195.49
Total non-current assets		41,266.92
Current assets		
Inventories	9	21,518.35
Financial assets		
Cash and cash equivalents	10	6,049.22
Other bank balances	11	703.80
Other financial assets	12	25.19
Trade Receivables	13	0.69
Other current assets	14	2,488.16
Total current assets		30,785.41
Total assets		72,052.34
EQUITY AND LIABILITIES		
Equity		
Share capital	15	3,410.50
Other equity	16	24,506.90
Total equity		27,917.40
Non-current liabilities		
Financial liabilities		
Borrowings	17	493.75
Lease liabilities	3 (iii)	27,076.30
Other financial liabilities	18	12.39
Provisions	19	238.59
Total non-current liabilities		27,821.03
Current liabilities		
Financial liabilities		
Borrowings	20	2,759.03
Lease liabilities	3 (iii)	2,230.84
Trade payables	21	
(a) Total outstanding dues of micro enterprises and small enterprises		354.68
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		10,529.39
Other financial liabilities	22	125.67
Provisions	23	193.12
Other current liabilities	24	121.18
Total current liabilities		16,313.91
Total liabilities		72,052.34

The accompanying notes form an integral part of these financial statements
As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

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

Ram Chandra Agarwal
Chairman and Managing Director
DIN: 00491885

Akash Agarwal
Whole Time Director and
Chief Financial Officer
DIN: 03194632

Manshu Tandon
Chief Executive Officer

Sudhir Kumar
Company Secretary and
Compliance Officer
M.No. A25125

Place: New Delhi
Date: 25 June 2020

Place: New Delhi
Date: 25 June 2020

Consolidated Statement of Profit and Loss for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	Note	For the year ended 31 March 2020
Income		
Revenue from operations	25	70,122.62
Other income	26	247.52
Total income		70,370.14
Expenses		
Purchase of stock-in-trade	27	44,914.91
Changes in inventories of stock-in-trade	28	5,585.15
Direct expenses	29	26.19
Employee benefits expense	30	6,292.92
Finance costs	31	3,025.12
Depreciation and amortization expense	32	5,097.71
Other expenses	33	5,815.55
Total expenses		70,757.55
Profit / (loss) before exceptional items and tax		(387.41)
Exceptional item	34	(1,254.51)
Profit before tax		867.10
Tax expense:	6	
Current tax		-
Deferred tax income		(11.07)
Total tax expense		(11.07)
Profit for the year		878.17
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Re-measurement (loss) of defined employee benefit plans		(69.10)
Income tax relating to items that will not be reclassified to profit or loss		17.71
Other comprehensive income for the year		(51.39)
Total comprehensive income for the year		826.78
Significant accounting policies	1	
Earnings per share (face value of ₹ 10 each)		
Basic (₹)	36	2.57
Diluted (₹)		2.57

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

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

Ram Chandra Agarwal
Chairman and Managing Director
DIN: 00491885

Akash Agarwal
Whole Time Director and
Chief Financial Officer
DIN: 03194632

Manshu Tandon
Chief Executive Officer

Sudhir Kumar
Company Secretary and
Compliance Officer
M.No. A25125

Place: New Delhi
Date: 25 June 2020

Place: New Delhi
Date: 25 June 2020

Statement of Consolidated Cash flow for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	For the year ended 31 March 2020
A. Cash flow from operating activities	
Profit before tax	867.10
Adjustments for:	
Depreciation and amortisation expense	5,097.71
Gain on sale of investments (net)	(1,254.51)
Interest income	(222.85)
Finance charges	3,025.12
Share based payments expense	69.30
Operating profit before working capital changes	7,581.87
Movement in working capital	
Movement in trade payables	(3,054.55)
Movement in trade receivables	(0.69)
Movement in provisions	96.95
Movement in other liabilities	(28.14)
Movement in inventories	5,589.54
Movement in loans and advances	(118.78)
Movement in other financial assets	(2,752.64)
Movement in other assets	125.30
Cash flow from operating activities post working capital changes	7,438.86
Income tax paid (net)	(28.99)
Net cash flow used from operating activities (A)	7,409.87
B. Cash flows from investing activities	
Purchase of property, plant and equipment (including capital work-in-progress and payable towards property, plant and equipment)	(1,095.96)
Proceeds with respect to assets classified as held for sale	1,688.50
Interest received	61.58
Net cash flow from investing activities (B)	654.12
C. Cash flows from financing activities	
Proceeds from issuance of equity share	3.10
Proceeds from short term borrowings (net)	2,759.04
Proceeds from long term borrowings (net)	407.40
Payment of lease liability	(4,839.74)
Payment of inter corporate deposits (net)	(931.20)
Interest paid	(241.89)
Net cash flow used in financing activities (C)	(2,843.29)
Net increase in cash and cash equivalents (A+B+C)	5,220.70
Cash and cash equivalents at the beginning of the year	828.52
Cash and cash equivalents at the end of the year	6,049.22
Components of cash and cash equivalents at the end of the year	
Cash in hand	85.05
Balance with banks:	
- in current accounts	3,832.01
- in fixed deposits	2,132.16
Total	6,049.22

Note:

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

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

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

Ram Chandra Agarwal
Chairman and Managing Director
DIN: 00491885

Akash Agarwal
Whole Time Director and
Chief Financial Officer
DIN: 03194632

Manshu Tandon
Chief Executive Officer

Sudhir Kumar
Company Secretary and
Compliance Officer
M.No. A25125

Place: New Delhi
Date: 25 June 2020

Place: New Delhi
Date: 25 June 2020

Consolidated Statement of changes in equity for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

A Equity share capital

	31 March 2020
Balance as at 1 April 2019	3,407.40
Changes in equity share capital during the year	3.10
Balance as at 31 March 2020	3,410.50

B Other equity

Particulars	Attributable to owners of V2 Retail Limited				Total
	Reserves and surplus				
	Retained earnings	Securities premium reserve	Capital reserve	Share options outstanding account	
Balance as at 1 April 2019	(64,560.13)	29,503.16	61,043.56	141.77	26,128.36
Profit for the year	878.17	-	-	-	878.17
Other comprehensive income for the year (net of tax)	(51.39)	-	-	-	(51.39)
Total comprehensive income for the year	826.78	-	-	-	826.78
Reversal of lease equalisation reserve	492.00	-	-	-	492.00
Remeasurement of lease liabilities on account of transition to Ind AS 116 (net of tax)	(3,009.54)	-	-	-	(3,009.54)
Employee stock options exercised during the year	-	70.93	-	(70.93)	-
Employee stock options charge for the year	-	-	-	69.30	69.30
Balance as at 31 March 2020	(66,250.89)	29,574.09	61,043.56	140.14	24,506.90

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

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

Ram Chandra Agarwal
Chairman and Managing Director
DIN: 00491885

Akash Agarwal
Whole Time Director and
Chief Financial Officer
DIN: 03194632

Manshu Tandon
Chief Executive Officer

Sudhir Kumar
Company Secretary and
Compliance Officer
M.No. A25125

Place: New Delhi
Date: 25 June 2020

Place: New Delhi
Date: 25 June 2020

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

1.i) Corporate information

V2 Retail Limited formerly known as Vishal Retail Limited ('Holding Company') is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Group'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 76 stores under its umbrella out of which 3 in Delhi-NCR, 18 in Bihar, 13 in Uttar Pradesh, 8 in Odisha, 6 in Assam, 6 in Karnataka, 3 in Madhya Pradesh, 7 in Jharkhand, 4 in Uttarakhand, 2 in Jammu & Kashmir and 1 each in Himachal, Rajasthan, Goa, Telangana, Arunachal Pradesh and Tripura, it has been successfully serving the Indian retail market for more than 25 years.

The Holding Company has one wholly owned subsidiary, V2 Smart Manufacturing Private Limited ('VSMPL') which was incorporated on October 25, 2019. VSMPL is in the business of manufacturing of apparels.

ii) Application of new and revised Indian Accounting Standard (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorized have been considered in preparing these consolidated financial statements.

iii) Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") and other relevant provisions of the Act.

The Consolidated financial statements of the Group comprises of the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity and a summary of Significant Accounting Policies and Other explanatory Information for the year ended 31 March 2020.

The wholly owned subsidiary, V2 Smart Manufacturing Private Limited was incorporated on 25 October 2019 and had commenced its business on 12 November 2019. Consequently, in the absence of comparative numbers, the same have not been presented.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

These financial statements have been prepared under the historical cost convention basis except for the following –

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Dened benet plans – plan assets measured at fair value.
- Assets held for sale – measured at fair value less cost to sell.

The consolidated financial statements of the Group are presented in Indian Rupees (₹), which is also the functional currency of the Holding Company and all amounts disclosed in the consolidated 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.

iv) Basis of consolidation

The Group's consolidated financial statements comprise the financial statements of Holding Company and its wholly owned subsidiary as at 31 March 2020.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company.

Subsidiaries are all entities over which, Holding Company exercises control. Holding Company exercises control only if it has the following:

- a) power over the entity
- b) exposure, or rights, to variable returns from its involvement with the entity; and
- c) the ability to use its power over the entity to affect the amount of its returns.

The Holding Company or any of its subsidiaries, whether it controls an entity, if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The difference between the cost of investment in subsidiaries (investee company) to the Group and the proportionate share in the equity of the investee Company as at the date of acquisition of stake is recognised in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is tested for impairment at the Balance Sheet date. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

The Consolidation of the financial statements of subsidiaries begins on the date control is established.

v) Use of estimates

The preparation of the consolidated 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 consolidated 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 consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

vi) Significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group 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 Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

b) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognized in consolidated statement of profit or loss as incurred. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognized as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life which are equal to those prescribed under Schedule II of the Companies Act, 2013 except for furniture and fixtures and vehicles in which useful lives are different from those prescribed under Schedule II of the Companies Act, 2013. In respect of furniture and fixtures and vehicles, the management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The following useful life of assets has been taken by the Group:

Tangible Assets	Useful Life as per the Schedule II	Useful Life as assessed by the management
Plant and machinery	15 Years	15 Years
Furniture and fittings	10 Years	8 Years
Vehicles	8 Years	8-10 Years
Office equipment	5 Years	5 Years
Computer equipment	3 Years	3 Years
Servers and networking equipment	6 Years	6 Years
Electrical equipment & fittings	10 Years	10 Years
Air conditioners	10 Years	10 Years
Generator sets	15 Years	15 Years

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

c) Intangible Assets

Recognition and initial measurement

Purchased intangible assets are stated at cost less accumulated amortization and impairment, if any.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

Subsequent measurement (amortisation)

All 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 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 consolidated statement of profit or loss when the asset is derecognised.

d) Impairment of non-financial assets

The Group 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 Group 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 consolidated statement of Profit and Loss.

e) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All 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 consolidated financial statements are presented in Indian Rupees (INR), which is also the Holding Company's functional currency.

Foreign currencies

Transactions and balances

Initial recognition

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

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 consolidated statement of profit and loss in the year in which they arise.

h) Leases

(i) Transition

Effective 1 April 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease. Accordingly, Group has taken the cumulative adjustment to retained earnings, on the date of initial application (1 April 2019). Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

(ii) The Group as a lessee

The Group's lease asset classes primarily consist of property leases. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable,

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (All amounts in ₹ in lakh unless otherwise stated)

using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

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 Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group 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 consolidated 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 consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Group 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 Group has only trading goods in its inventory which is valued at lower of cost and net realizable value. Cost of inventory comprises of cost of purchases and other costs incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and service tax (GST) and amounts collected on behalf of third parties.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

The Group 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 Group's activities as described below. The Group 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 Group operates a chain of retail stores selling quality fashion garments. Revenue from the sale of goods is recognised when Group sells a product to the customer.

It is the Group'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 goods and service tax (GST).

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 Group 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 Group determines that the fair value at initial recognition differs from the transaction price, the Group 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 Group 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 Group 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:

- 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

- 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 Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group 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 Group 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 Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortized cost using the effective interest method (EIR).

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortization is included as finance costs in the consolidated 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 consolidated 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.

Impairment of financial assets

The Group 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 Group 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

n) Retirement and other employee benefits

Defined Contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group makes defined contribution to Government Employee Provident Fund, Employee Deposit Linked Insurance and ESI which are recognized in the consolidated statement of profit and loss on accrual basis.

The Group recognizes contributions payable to the provident fund scheme as an expenditure, when an employee renders the related services. The Group 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 plan

The Group operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Other employee benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the actuarial valuation performed by an independent actuary using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Other short-term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

o) Employee stock option plan

The cost of equity settled share-based plan is recognized based on the fair value of the options as at the grant date. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in other equity. The total expense is recognised over the vesting period, which is period over which all of the specified vesting conditions are satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of revision to original estimates, if any, in consolidated statement of profit and loss, with a corresponding adjustment to equity. The fair value of options is determined using the Black Scholes valuation model.

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

p) Provisions

Provisions are recognized when the Group 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 Group 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 consolidated 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 Group 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.

s) Segment reporting

The Group 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'.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

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 Group 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 Group does not recognize a contingent liability but discloses its existence in the consolidated 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 Group's accounting policies and that may have the most significant effect on the amounts recognized in the consolidated 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 Group 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 Group 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 Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.
- vi. **Inventories** – The Group estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. Further, the Group also estimate expected loss due to shrinkage, pilferage etc. along with NRV impact on old inventory taking into account most reliable information available at the reporting date.

Standards issued but not yet effective

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards. There is no such notification that would have been applicable from 1 April 2020.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

2 Property, plant and equipment

Description	Leasehold improvements	Vehicle*	Office equipments	Plant and machinery	Electrical equipments	Furniture and fixture	Computer hardware	Total
Gross carrying value								
As at 1 April 2019	276.77	233.60	3,117.42	577.90	2,651.22	5,096.27	1,534.15	13,487.31
Additions	87.08	118.89	135.37	356.20	118.76	202.80	48.67	1,067.77
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2020	363.86	352.49	3,252.79	934.09	2,769.98	5,299.07	1,582.82	14,555.08
Accumulated depreciation								
As at 1 April 2019	46.78	32.58	621.98	60.37	628.10	1,530.23	801.50	3,721.54
Charge for the year	37.23	28.44	344.13	41.90	254.35	619.40	285.74	1,611.18
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2020	84.01	61.01	966.11	102.27	882.45	2,149.63	1,087.24	5,332.72
Net block as at 31 March 2020	279.85	291.47	2,286.69	831.82	1,887.53	3,149.44	495.57	9,222.37

Notes:

a. Contractual obligations

Refer note 37(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b. Capitalised borrowing cost

The Group has not capitalised any borrowing costs during the year ended 31 March 2020.

* Gross block of vehicles amounting to Rs. 217.36 lakhs are hypothecated against vehicle loans taken. Refer note 17.

(All amounts in ₹ in lakh unless otherwise stated)

3 (i) Intangible assets

Description	Computer software	As at 31 March 2020
Gross carrying value		
As at 01 April 2019	359.78	359.78
Additions	-	-
Disposals	-	-
As at 31 March 2020	359.78	359.78
Accumulated amortization		
As at 01 April 2019	154.34	154.34
Amortisation for the year	80.99	80.99
Disposals	-	-
As at 31 March 2020	235.33	235.33
Net block as at 31 March 2020	124.45	124.45

3 ii) Intangible assets under development

	As at 31 March 2020
As at 1 April 2019	411.47
Add: additions during the year	-
Less: capitalisation during the year	-
As at 31 March 2020	411.47

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	As at 31 March 2020
3 iii) Right of use assets and lease liabilities	
Set out below are the carrying amounts of right of use assets and lease liabilities and the movements during the year:	
(a) Right-of-use assets	
Balance as on 1 April 2019 due to adoption of Ind AS 116	34,900.89
Add: Additions during the year	1,436.61
Balance as at 31 March 2020	36,337.50
Accumulated depreciation	
Balance as on 1 April 2019 due to adoption of Ind AS 116	8,399.46
Depreciation for the year	3,405.54
Balance as at 31 March 2020	11,805.00
Net carrying amount	
Balance as at 31 March 2020	24,532.50
(b) Lease liabilities	
Balance as on 1 April 2019 due to adoption of Ind AS 116	30,079.05
Add: Addition	1,231.57
Add: Interest expense accrued on lease liabilities	2,836.27
Less: lease liabilities paid	(4,839.74)
Closing balance as at 31 March 2020	29,307.14
Current	2,230.84
Non-current	27,076.30

- (i) Total cash outflow for leases for the year ended 31 March 2020 was ₹ 4,839.74 lakh
(ii) Refer note 49

	As at 31 March 2020
4 Loans	
Unsecured, considered good (carried at amortised cost)	
Security deposits	601.79
	601.79
Refer note 45 for disclosure of fair values in respect of financial assets measured at amortised cost. The carrying values are considered to be a reasonable approximate of their fair values.	
5 Other financial assets	
Fixed deposits having maturity of more than 12 months	2,282.59
	2,282.59
Out of the above, fixed deposits amounting to ₹ 1,066.38 lakh are held as margin money with banks towards bank guarantees and overdraft facility	
6 (i) Deferred tax assets (net) [refer note 46(b)]	
Deferred tax asset arising on account of:	
Provision for employee benefits	183.50
Carried forward losses	639.62
Impact of Ind AS 116	356.86
Tax on Impact of Ind AS 116 in RE	1,036.90
	2,216.88
Deferred tax liability arising on account of:	
Property, plant and equipment	9.95
Security deposits	42.25
	52.20
Net deferred tax assets	2,164.68

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

Notes:

(a) Movement in deferred tax assets/(liabilities) for the year ended 31 March 2020 is as follows:

Description	Opening Balance	Recognised / (reversed) through profit and loss	Recognised / (reversed) in other comprehensive income	Recognised / (reversed) in retained earnings	Closing Balance
Deferred tax assets/(liabilities) in relation to:					
Compulsory convertible debentures (CCD)	83.36	(83.36)	-	-	-
Security deposits	(1.28)	(40.97)	-	-	(42.25)
Provision for employee benefits	175.36	(9.57)	17.71	-	183.49
Carried forward business losses	394.00	245.62	-	-	639.62
Carried forward capital losses	301.42	(301.42)	-	-	-
Lease equalisation reserve	171.92	(171.92)	-	-	-
Property, plant and equipment	(25.78)	15.83	-	-	(9.95)
Lease liabilities	-	356.86	-	-	356.86
Impact of Ind AS 116 on retained earnings	-	-	-	1,036.90	1,036.90
	1,099.00	11.07	17.71	1,036.90	2,164.67

As at
31 March 2020

6 (ii) Tax expense

The income tax expense consists of the following:

Current tax expense	-
Deferred tax expense/ (credit)	(11.07)
Total income tax expense	(11.07)

Year ended
31 March 2020

(a) The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 25.63% and the reported tax expense in statement of profit and loss are as follows:

Profit before income tax	867.10
Income tax using the Holding Company's domestic tax rate *	25.63%
Expected tax expense [A]	222.20
Expenses/incomes not considered in determining taxable profit	(329.06)
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense	
Property, plant and equipment	100.55
Provision for lease equalisation reserve	(171.92)
Compulsory convertible debentures (CCD)	(83.36)
Lease liabilities	356.86
Security deposits	(40.97)
Provision for employee benefits	(9.57)
Brought forward capital loss	(301.42)
Brought forward business loss	245.62
Total adjustments [B]	(233.27)
Actual tax expense [C=A+B]	(11.07)
Tax expense recognised in consolidated statement of profit and loss	(11.07)
* Domestic tax rate applicable to the Holding Company has been computed as follows	
Base tax rate	22%
Surcharge (% of tax)	12%
Cess (% of tax)	4%
Applicable rate	25.63%

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

		Year ended 31 March 2020
(b)	Unused tax losses and credits	
	Business losses brought/carried forward	Year of expiry
	2020-21	2028-29
		165.06
		165.06
	Potential tax benefit	42.30
	Long-term gain losses brought/carried forward	
	2016-2017	1,127.49
		1,127.49
	Potential tax benefit	225.50
	The company has not created deferred tax asset on long term capital losses in the absence of convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be utilised	
	Unabsorbed depreciation brought/carried forward	
	2010-2011 (27 September 2010)	1,897.37
	2012-2013 (28 September 2012)	292.19
	2013-2014 (30 September 2013)	117.69
	2020-21	23.71
		2,330.96
	Potential tax benefit	597.32
		As at
		31 March 2020
7	Other non-current assets	
	Advance for services (refer note 48)	1,557.65
	Advance with service tax department	75.00
	Advance paid against dispute	98.94
		1,731.59
8	Income tax assets (net)	
	Advance tax (net of provision of tax)	195.49
		195.49
9	Inventories	
	(Valued at lower of cost and net realisable value, unless otherwise stated)	
	Stock-in-trade	21,479.10
	Stores and consumables	39.25
		21,518.35
10	Cash and cash equivalents	
	Cash in hand	85.05
	Fixed deposits having remaining maturity of less than 3 months*	2,132.16
	Balance with banks:	
	-in current accounts	3,832.01
		6,049.22
	Notes:	
(i)	Other than as disclosed, there are no repatriation restrictions with respect to other bank balances as at the end of the reporting year.	
(ii)	The carrying values are a reasonable approximate of their fair values.	
(iii)	*Out of the above, fixed deposits amounting to ₹ 31.36 lakh are held as margin money towards bank guarantees.	
11	Other bank balances	
	Fixed deposits having maturity of more than 3 months and less than 12 months	703.80
		703.80
	Out of the above, fixed deposits amounting to ₹ 105.52 lakh are held as margin money towards bank guarantees.	

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

		As at 31 March 2020
12	Other financial assets	
	Current	
	Advances recoverable in cash	25.19
		25.19
The carrying values are considered to be a reasonable approximation of fair value.		
Refer note 45 for disclosure of fair values in respect of financial assets measured at amortised cost.		
13	Trade receivable	
	Unsecured, considered good	0.69
		0.69
14	Other current assets	
	Prepaid expenses	56.23
	Advances recoverable in kind or value to be received	68.34
	Advance to suppliers	647.52
	Balance with statutory authorities	1,716.07
		2,488.16
15	Equity share capital	
	Authorised	
	40,000,000 equity shares of ₹ 10 each	4,000.00
	Issued, subscribed and fully paid-up	
	34,105,026 equity shares of ₹ 10 each	3,410.50
		3,410.50

		31 March 2020	
		No of shares	Amount
(a)	Reconciliation of number of shares		
	Equity shares at the beginning of the year	34,074,018	3,407.40
	Changes during the year*	31,008	3.10
	Equity shares at the end of the year	34,105,026	3,410.50

(b) **Terms/rights attached to equity shares/warrants**

The Holding 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 Holding Company declares and pays dividend in Indian rupees. The Board of Directors of the Holding Company has not declared any dividend during the reporting period.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

*During the year ended 31 March 2020, the Holding Company has made allotment of 31,008 equity shares @ ₹ 10 per equity share to the eligible employees on exercise of employee stock option scheme.

(c) **Details of shareholders holding more than 5% shares in the Holding Company**

		31 March 2020	
		No of shares	% Holding
	Unicon Marketing Private Limited	5,444,710	15.96%
	Ricon Commodities Private Limited	7,170,000	21.02%
	Mr. Ram Chandra Agarwal	3,207,911	9.41%
	Bennett, Coleman and Company Limited	1,834,503	5.38%
	India 2020 Fund II, Limited	2,200,000	6.45%
		19,857,124	

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	As at 31 March 2020
16 Other equity	
Securities premium account	
Opening balance	29,503.16
Change during the year	70.93
	<u>29,574.09</u>
Capital reserve [refer note (a) below]	
Opening balance	61,043.56
Change during the year	-
	<u>61,043.56</u>
Employees' stock option outstanding account	
Opening balance	141.77
Less: Exercised during year	(70.93)
Add: Charge for the year	69.30
	<u>140.14</u>
Retained earnings	
Opening balance	(64,560.13)
Add: Reversal of lease equalisation reserve	492.00
Less: Adjustment from adoption of Ind AS 116 (net of tax)	(3,009.54)
Add: Net profit for the year	878.17
Add: Remeasurement benefit of defined benefit plans (net of tax)	(51.39)
	<u>(66,250.89)</u>
	<u>24,506.90</u>

- a The Holding Company restructured its business in the financial year 2010-11 resulting in creation of Capital Reserve amounting to ₹ 60,523.24 lakh. The aforementioned reserve has been reconciled except for ₹ 365.36 lakh which the Holding Company is in the process of reconciling. However, the management believes that there is no impact of same on Consolidated Statement of Profit and Loss.

Nature and purpose of other reserves

Securities premium

Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve:

This reserve represents the excess of net assets taken, over the cost of consideration paid at the time of amalgamation done in prior years. This reserve is not available for the distribution to the shareholders.

Employees' stock options outstanding account

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

17 Non-current borrowings

Secured	
Term loan from banks	418.00
Vehicle loans from financial institutions	134.42
	<u>552.42</u>
Less: Current maturities of long-term borrowings (refer note 22)	58.67
	<u>493.75</u>

Notes:

- Vehicle loan from Volkswagen Finance Private Limited amounting to ₹ 101.71 lakh carries an interest @ 9.26% per annum repayable in thirty six equal monthly instalments ending in March 2022. The loan is secured against hypothecation of vehicle.
- Vehicle loan from ICICI Bank Limited amounting to ₹ 32.70 lakh carries an interest @ 8.70% per annum repayable in thirty six equal monthly instalments ending in February 2023. The loan is secured against hypothecation of vehicle.
- Term loan facility of ₹ 440.00 lakh from ICICI bank for purchase of plant carries an interest @ 8.50% per annum. It is secured against earmarked fixed deposits. The loan is repayable in 60 equated monthly instalments.
- Refer note 45 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 2020

(All amounts in ₹ in lakh unless otherwise stated)

					As at 31 March 2020	
18	Other non-current financial liabilities					
	Security deposits*				12.39	
					12.39	
	* The above amount includes security deposits received from shop-in-shop vendors.					
19	Provisions					
	Non-current					
	Provision for employee benefits					
	Provision for gratuity				146.18	
	Provision for compensated absences				92.41	
					238.59	
	For disclosures on Gratuity and Other post employment benefit obligation, refer note 41					
20	Short-term borrowings					
	Secured					
	Working capital facility from PNB (refer note a below)				2,263.83	
	Overdraft facility from ICICI (refer note b below)				495.20	
					2,759.03	
a.	Working capital facility of ₹ 5,000 lakh from PNB carries an interest @ 10.85% per annum. This facility is secured against stock and book debts.					
b.	Overdraft facility of ₹ 495.00 lakh from ICICI carries an interest @ 8% per annum. It is secured against earmarked fixed deposits.					
c.	Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows:					
Particulars		As at 1 April 2019	Cash out flows	Non cash changes		As at 31 March 2020
				Lease additions	Interest expenses	
Long-term borrowings (including current maturities)		145.00	407.40	-	-	552.40
Lease liabilities (including current maturities)		30,079.05	(4,839.74)	1,231.57	2,836.27	29,307.14
Short-term borrowings (net)		931.20	1,827.84	-	-	2,759.04
Interest accrued on borrowings		53.04	(241.89)	-	188.86	-
Issuance of equity shares		-	3.10	-	-	3.10
Total liabilities from financial activities		31,208.28	(2,843.29)	1,231.57	3,025.12	32,621.68
					As at 31 March 2020	
21	Trade payables					
	Dues to					
	- micro enterprises and small enterprises				354.68	
	- due to others				10,529.39	
					10,884.07	
	Due to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006					
Particulars					31 March 2020	
i)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year					
	Principal amount remaining unpaid				354.68	
	Interest accrued and remaining unpaid as at year end				6.47	
ii)	Amount of interest paid by the Group to the suppliers in terms of section 16 of the Act				-	
iii)	Amount paid to the suppliers beyond the respective due date.				-	
iv)	Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.				-	
v)	Amount of interest accrued and remaining unpaid at the end of accounting period.				14.16	
vi)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.					

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

		As at 31 March 2020
22 Other financial liabilities		
Current		
Current maturities of long-term borrowings (refer note 17)		58.67
Sundry creditors for fixed assets		67.00
		125.67
23 Provisions		
Current		
Provision for gratuity		94.53
Provision for compensated absences		98.59
		193.12
For disclosures on Gratuity and Other post employment benefit obligation, refer note 41		
24 Other current liabilities		
Statutory liabilities		114.15
Advance from customers		7.03
		121.18
		Year ended 31 March 2020
25 Revenue from operations		
Operating revenue		
Traded goods*		69,912.42
Other operating revenue		
Scrap sales		93.50
Display income		116.70
		70,122.62
* Details of sale of traded goods		
Apparels		64,876.36
Non-apparels		5,036.06
		69,912.42
Detail of Operating revenue by Geographical locations		
In India		69,912.42
Outside India		-
Total		69,912.42
26 Other income		
Interest from:		
Other financial assets carried at amortised cost		161.27
Bank deposits		61.58
Miscellaneous income		24.67
		247.52
27 Purchase of stock-in-trade		
Purchase of stock-in-trade (refer note below)		44,914.91
		44,914.91
a. Details of purchase of stock-in-trade		
Apparels		41,986.65
Non-apparels		2,928.26
		44,914.91

Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2020
(All amounts in ₹ in lakh unless otherwise stated)

	Year ended 31 March 2020
28 Changes in inventories of stock-in-trade	
Traded goods	
Closing stock (refer note below)	21,479.10
Less: Opening stock	27,064.25
	5,585.15
a. Details of closing stock	
Apparels	20,288.64
Non-apparel	1,190.46
	21,479.10
29 Direct Expenses	
Production consumables	10.91
Generator running & maintenance	6.08
Power and fuel	9.20
	26.19
30 Employee benefits expense	
Salaries, wages and bonus	5,599.03
Post-employment and other long-term benefits expense (refer note 41)	47.43
Contribution to provident and other funds	356.45
Staff welfare	220.71
Share based payments to employees (refer note 42)	69.30
	6,292.92
31 Finance costs	
Interest on	
Term loans	65.80
Unsecured loans	58.00
Working capital loans	3.55
Loan processing charges	61.51
Interest on lease liabilities	2,836.26
	3,025.12
32 Depreciation and amortisation	
Depreciation on property, plant and equipment	1,611.18
Amortization of intangible assets	80.99
Depreciation on right of use asset	3,405.54
	5,097.71
33 Other expenses	
Power, fuel and electricity	1,980.65
Repair and maintenance	
- Building	25.29
- Plant and machinery	15.18
- Others	263.95
Rent (refer note 49)	133.14
Insurance charges	29.55
Rates and taxes	110.43
Bank charges	144.62
Legal and professional	229.09

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

	Year ended 31 March 2020
Motor vehicle expenses	3.74
Printing and stationery	45.59
Packing materials & expenses	617.73
Security service charges	196.26
Housekeeping expenses	168.07
Telephone expenses	52.25
E-Commerce expenses	42.85
Traveling and conveyance	168.27
Postage and telephones	3.65
Payment to auditors (refer note a below)	31.96
Directors' sitting fees	6.89
Credit cards charges	109.59
Advertisement & sales promotion	319.26
Commission charges	1.78
Transportation charges	1,063.75
Miscellaneous expenses	52.01
	5,815.55
a. Auditors' remuneration	
Statutory audit (including fees for limited reviews)	23.35
Other services	6.38
Out of pocket expenses	2.23
	31.96
34 Exceptional item	
Net gain on sale of assets held for sale (refer note 40)	1,254.51
	1,254.51
35 Details of expenditure incurred in relation to CSR activities during the year	
For recognition, measurement, presentation and disclosure of expenditure on activities related to CSR, the Group has adopted the prescribed guidance under Guidance note on "Accounting for expenditure on CSR activities" issued by ICAI on 15 May 2015. The said guidance note clearly states that no provision for the amount which is not spent for the purpose of CSR (in case there is shortfall in spending on CSR activates below the prescribed threshold) is required to be made in the books of account (except where the Group has incurred a contractual liability in such regard).	
Average net profit of the Group for last three financial years	3,280.58
Prescribed CSR expenditure	65.61
Details of CSR spent during the financial year:	
Total amount to be spent for the financial year	65.61
Amount unspent, if any	65.61
36 Earnings per share	
Profit attributable to equity shareholders (A)	878.17
Nominal value per share	10.00
Weighted-average number of ordinary shares (basic)	
Numbers of weighted average equity share outstanding at the opening	34,074,018
Issued ordinary shares	31,008
Weighted average number of equity shares outstanding during the year (B)	34,105,026

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

Weighted-average number of ordinary shares (diluted)

Category	Grant date	No. of Options 31 March 2020
B	24 October 2017	3,277
D	2 May 2018	36,896
H	27 January 2020	250,000
Total ESOP's granted		290,173
Particulars		31 March 2020
Average price of the share		142.89
Face Value		10
Exercise price		10
Diluted shares (nos.)		20,308
Weighted average number of equity shares adjusted for the effect of dilution (C)		34,125,334
Basic EPS (Amount in ₹) (A/B)		2.57
Diluted EPS (Amount in ₹) (A/C)		2.57

Note:

The calculation of diluted earnings per share has been based on the profit attributable to equity shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential equity shares.

	Year ended 31 March 2020
37 Contingencies and commitments	
(a) Contingent liabilities	
Claims against the Group not acknowledged as debt [refer note (i) below]	2,020.60
Dispute under sales tax law (matters under appeal) [refer note (ii) below]	2,774.48
Dispute under service tax law (matters under appeal) [refer note (iii) below]	302.08
(i) The Holding company has certain cases/disputes aggregating to ₹ 2,020.60 lakh 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 Holding company has reasonably good chances of succeeding and accordingly, no provision has been recognised in these financial statements.	
(ii) The Holding 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 lakh, West Bengal Value Added Tax Act, 2003 aggregating to ₹ 2,250 lakh, The Assam Value Added Tax Act, 2003 aggregating to ₹ 7.2 lakh and The Uttar Pradesh Value Added Tax Act, 2008 aggregating to ₹ 24.45 lakh. 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 Holding company has reasonably good chances of succeeding and accordingly, no provision has been recognised in these financial statements.	
(iii) The Holding company has pending litigation related to service tax under Finance Act, 1994 amounting to ₹ 302.08 lakh. 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 Holding company has reasonably good chances of succeeding and accordingly, no provision has been recognised in these financial statements.	
(iv) Out of contingent liabilities existing as at 31 March 2020 as disclosed above, certain cases amounting to ₹ 2,455.18 lakh comprising of claims against the Holding company not acknowledged as debt of ₹ 1,937.90 lakh and Value added tax related disputes aggregating ₹ 517.28 lakh [(included in point (i) and (ii) above) are under appeal with different authorities at different levels for which the management does not have necessary details and information. Whilst the impact of these contingent liabilities on the financial statements can only be ascertained on the settlement of such cases/disputes, management has broadly assessed that based on the merits of such cases, the Holding company has reasonably good chances of succeeding and accordingly, no provision has been recognised in these financial statements.	
(b) Commitments	31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	12.90

38 Segment information

In accordance with Ind AS 108, the Board of directors, being the Chief operating decision maker of the Group, has determined that the Group is engaged in the business of retail trade of garments, textiles and accessories in India and there are no separate reportable segments as per Ind AS 108. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial statements. The Group's operations are such that all activities are confined only to India and there are no customers accounting for more than 10% of its revenue.

- 39 During the year ended 31 March 2020, the management has recorded additional provision amounting to ₹ 1,029.25 lakh for expected loss for sale of old inventory taking into account most reliable information available at the reporting date and in view of management the provision is adequate.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

40 Exceptional item

During the year ended 31 March 2020, the Holding Company had sold its property situated at Hubli, Karnataka, having book value of ₹ 1,243.99 lakh at a sale consideration of ₹ 2,448.50 lakh. The gain on sale of above property amounting to ₹ 1,254.51 lakh has been recorded as an exceptional item in these consolidated financial statements. This gain also includes advance received from one of the prospective buyers amounting to ₹ 50 lakh and forfeited by the Holding Company on account of failure on the part of prospective buyers to finalize the transaction in accordance with the terms of agreement to sell entered into between both the parties.

41 Gratuity and other post employment benefit plans

Particulars	31 March 2020	
	Current	Non-current
Gratuity	94.53	146.18
	94.53	146.18

A Gratuity

The Group operates gratuity plan where in every employee is entitled to benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vests after five years of continuous service. Gratuity benefits valued were in accordance with the payment of Gratuity Act, 1972.

The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit or loss and amounts recognised in the consolidated balance sheet for the Gratuity plan:

(i) Amount recognised in the consolidated statement of profit and loss is as under:

Description	31 March 2020
Current service cost	36.91
Interest cost	10.52
Amount recognised in the consolidated statement of profit and loss	47.43

(ii) Changes in the present value of the defined benefit obligation are as follows :

Description	
Present value of defined benefit obligation as at the start of the year	136.73
Current service cost	36.91
Interest cost	10.52
Actuarial loss/(gain) recognised during the year	69.10
Benefits paid	(12.55)
Present value of defined benefit obligation as at the start of the year	240.71

(iii) Amount recognised in Other comprehensive income is as under:

Description	
Actuarial (gain)/loss on arising from change in demographic assumption	0.01
Actuarial (gain)/loss on arising from change in financial assumption	5.82
Actuarial (gain)/loss on arising from experience adjustment	63.27
Total actuarial (gain)/loss	69.10

(iv) The principal assumptions used in determining gratuity benefit obligations for the Group are shown below

Description	
Discount rate	5.04%
Retirement age	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)
Attrition at ages:	
- Upto 30 years	50.00%
- From 31 to 44 years	50.00%
- Above 44 years	50.00%
Rate of increase in compensation	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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

31 March 2020

(v) Sensitivity analysis for gratuity liability

Description	
Impact of the change in discount rate	
Present value of obligation at the end of the year	240.72
- Impact due to increase of 0.50 %	(2.20)
- Impact due to decrease of 0.50 %	2.25
Impact of the change in salary increase	
Present value of obligation at the end of the year	240.72
- Impact due to increase of 0.50 %	1.87
- Impact due to decrease of 0.50 %	(1.34)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

Expected contribution

31 March 2020

Expected contribution to Gratuity in next year	5,277,448
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(vi) Maturity profile of defined benefit obligation (undiscounted)

Description	
Within next 12 months	94.53
Between 2-5 years	122.81
Beyond 5 years	23.37

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 increase considered takes into account the inflations, seniority, promotion and other relevant factors on long term basis.
- 3 The weighted average duration to the payment of these cash flows is 1.40 years.

B Defined contribution scheme

The Group's state governed provident fund scheme, employee state insurance scheme and labour welfare fund scheme are considered as defined contribution plans. The contribution under the schemes is recognised as an expense in the consolidated statement of profit and loss, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective funds. The amount of contribution made by the Group to employees' provident fund is ₹ 258.00 lakh.

C Other long term employee benefits

Long term compensated absences

Principal assumptions for long term compensated absences

Discount rate	5.04%
Retirement age	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)
Attrition at ages:	
- Upto 30 years	50.00%
- From 31 to 44 years	50.00%
- Above 44 years	30.00%
Rate of increase in compensation	10.00%

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

42 Share based payment

During the year ended 31 March 2020, the Holding Company has granted 250,000 (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 98,630 ESOP outstanding as at the beginning of the year, the Holding Company has forfeited 27,450 ESOP & Holding Company has issued shares for 31,008 ESOP exercised. ESOP outstanding as at 31 March 2020 are 290,172. 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 ₹ 69.30 lakh has been recorded for the year ended 31 March 2020 as employee benefits expense, as the proportionate cost of ESOP granted.

The Holding 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 Holding Company under the Scheme. The Details of the scheme are as below:

a) Employee stock option scheme :

As at 31 March 2020 the Holding Company had the following outstanding share based payment arrangements

Particulars	Tranche -IV	Tranche-V	Tranche-VI
No. of Options	3,277	36,895	250,000
Method of Accounting	Fair Value	Fair Value	Fair Value
Vesting Date	23 October 2020	1 May 2021	1 May 2021
Exercise Period On initiation of exercise period	22 January 2021	31 July 2021	31 July 2021
Grant Date	24 October 2017	2 May 2018	27 January 2020
Exercise price per share (₹)	10	10	10
Market price on the date of granting of option (₹)	460.30	415.35	114.10
Method of settlement	Cash	Cash	Cash

b) Movement of option granted

Particulars	31 March 2020	
	Number of options	Weighted average price
Options Outstanding at the beginning of the year	98,630	352.76
Granted during the year (net of lapsed)	250,000	114.10
Exercised during the year	31,008	238.75
Forfeited during the year	27,450	384.58
Options outstanding during the year	290,172	156.31
Options unvested at the end of the year	290,172	156.31
Option exercisable at the end of the year	-	-

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 -IV	Tranche-V	Tranche-VI
Risk free Interest Rate (%)	6.00	7.40	5.40
Life (Years)	3.06	3.10	1.40
Expected Volatility (%)*	60.44	62.50	60.00
Expected Dividend Yield (%)	-	-	-
Weighted average Fair Value Per Option (₹)	459.93	427.80	104.80

Expected volatility of the Holding Company's stock price is based on the Holding Company's comparable peer Holding Company's stock price on NSE based on the price data of the last three years upto the date of grant as the Holding Company has been listed only for a few months prior to the date of grants.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

43 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

Assets and liabilities related to contracts with customers

Description	As at 31 March 2020	
	Non-current	Current
Contract liabilities related to sale of goods		
Advance from customers	-	7.03
Contract receivables related to sale of goods		
Trade receivables	-	0.69

Significant changes in contract assets and liabilities

There has been no significant changes in contract assets/contract liabilities during the year.

Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes.

Description	For the year ended 31 March 2020
Opening balance	4.59
Addition during the year	7.03
Revenue recognised during the year	(4.59)
Closing balance	7.03

Disaggregation of revenue

Revenue arises mainly from the sale of traded goods:

Description	Sale of goods
(A) Sale of goods	
Revenue from sale of goods	69,912.42
(B) Other ancillary revenue	
Scrap sales	93.50
Display income	116.70
	70,122.62

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

44 Related party disclosures

(a) Holding Company

V2 Retail Limited

(b) Directors

Mr. Ram Chandra Agarwal (Chairman and Managing Director)

Mrs. Uma Agarwal (Director)

Mr. Akash Agarwal (Director) and (Chief Financial Officer w.e.f 25 June 2020)

Mr. Jitender Yadav (Non-executive director) [upto 27 January 2020]

Mr. Lalan Yadav (Non-executive director) [upto 27 January 2020]

Mrs. Rochelle Susanna Dsouza

Mr. Siya Ram (Non-executive director) [upto 03 January 2020]

Mr. Ravinder Kumar Sharma (Non-executive director) [upto 13 April 2019]

Mr. Harbir Singh Sidhu (Non-executive Director) [w.e.f 30 April 2019]

Ms. Archana Surendra Yadav (Non-executive Director) (w.e.f. 27 January 2020)

Dr. Arun Kumar Roopanwal (Non-executive Director) [w.e.f. 27 January 2020]

Mr. Lalit Kumar (Non-executive Director) [w.e.f. 27 January 2020]

(c) Key managerial personnel

Mr. Manshu Tandon (Chief Executive Officer) [w.e.f. 27 January 2020]

Mr. Umesh Kumar (Company Secretary and Compliance Officer) [upto 30 November 2019]

Ms. Jagpreet Kaur (Company Secretary and Compliance Officer) [w.e.f. 02 January 2020 upto 17 June 2020]

Mr. Vipin Kaushik (Chief Financial Officer) [upto 15 July 2019]

Mr. Sudhir Kumar (Company Secretary and Compliance Officer) [w.e.f. 25 June 2020]

(d) Companies in which Directors and Key Management Personnel or their relatives have control or significant influence

V2 Conglomerate Private Limited

(e) Summary of transactions with related parties:

S. No.	Particulars	31 March 2020
1	Loans accepted	
	V2 Conglomerate Limited	191.00
2	Loans repaid (including repaid)	
	V2 Conglomerate Limited	1,232.23
3	Interest expense on loans taken	
	V2 Conglomerate Limited	58.00
4	Remuneration	
	Mr. Ram Chandra Agarwal	58.75
	Mrs. Uma Agarwal	58.75
	Mr. Akash Agarwal	48.75
	Mr. Manshu Tandon*	14.18
	Mr. Vipin Kaushik*	9.17
	Mr. Umesh Kumar*	10.94
	Mrs. Jagpreet Kaur	1.73

Summary of significant accounting policies and other explanatory information
for the year ended 31 March 2020
(All amounts in ₹ in lakh unless otherwise stated)

S. No.	Particulars	31 March 2020
5	Sitting fees	
	Mr. Jitender Yadav	0.80
	Mr. Lalan Yadav	0.80
	Mr. Ravinder Kumar Sharma	0.08
	Mr. Siya Ram	0.64
	Mr. Harbir Singh Sidhu	1.56
	Ms. Archana Surendra Yadav	1.00
	Dr. Arun Kumar Roopanwal	1.00
	Mr. Lalit Kumar	1.00
6	Maximum amount outstanding at any time during the year	
	V2 Conglomerate Limited	1,135.50

*excludes the amount charged/reversed to the consolidated statement of profit and loss on grant/forfeiture of employee stock options.

45 Fair value disclosures

A Financial instruments by category

Particulars	31 March 2020		
	FVOCI	FVTPL	Amortised cost
Financial assets measured at amortised cost			
Security deposits	-	-	601.79
Cash and cash equivalents	-	-	6,753.02
Trade receivables	-	-	0.69
Other financial assets	-	-	2,307.78
Total	-	-	9,663.29
Financial liabilities measured at amortised cost			
Borrowings	-	-	3,252.77
Lease liabilities	-	-	29,307.14
Trade payable	-	-	10,884.07
Other financial liabilities	-	-	138.07
Total	-	-	43,582.05

B Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into two categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

Particulars	31 March 2020	
	Carrying value	Fair value
Security deposits	1,146.65	601.79
	1,146.65	601.79

The management assessed that fair values of cash and cash equivalents, trade payables, Interest accrued on bank deposits with banks, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of borrowings, lease liabilities 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.

46(a) Financial risk management

i) Risk management framework

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Recognised variable rate financial liabilities denominated in Indian rupee (INR)	Cash flow forecasting	Group is in the process of reducing the debt component to reduce the interest rate risk

A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- loans and receivables carried at amortised cost, and
- deposits with banks

a) Credit risk management

The Group 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 Group, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk:

Credit rating	Particulars	31 March 2020
A: Low	Loans	601.79
	Other financial assets	2,307.78
	Trade receivables	0.69
	Cash & cash equivalents and bank deposits	6,753.02

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 receivable, loans and other financial assets measured at amortised cost

These are 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

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 Group maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity of Group 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.

31 March 2020	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	2817.69	493.75	-	3,311.44
Trade payable	10,884.07	-	-	10,884.07
Lease liabilities	4,903.58	10,103.16	30,515.25	45,521.99
Other financial liabilities	67.01	12.39	-	79.40
Total	18,672.36	10,609.30	30,515.25	59,796.90

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 Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Interest rate risk

i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2020, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	31 March 2020
Variable rate borrowing	2,263.83
Fixed rate borrowing	1,047.61
Total borrowings	3,311.44

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	31 March 2020
Interest sensitivity*	
Interest rates – increase by 100 basis points	22.64
Interest rates – decrease by 100 basis points	(22.64)

* Holding all other variables constant

ii) Assets

The Group'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.

- 46(b) The Group has recognised deferred tax assets arising from unabsorbed depreciation and business losses to the extent there is reasonable certainty the Group would be able to realise the deferred tax assets against future taxable income.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

47 Capital management

The Group'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 Group 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 Group'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 Group's various classes of debt. The Group 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group's adjusted net debt to equity ratio at 31 March 2020

Particulars	31 March 2020
Total borrowings	3,311.44
Less: cash and bank balances including fixed deposits	9,035.62
Net debt	(5,724.18)
Total equity	27,917.40
Adjusted net debt to adjusted equity ratio	-20.50%

48 Advertising advance to Bennett, Coleman and Company Limited (BCCL)

As on 31 March 2020, the Holding Company has paid an advance of ₹ 1,557.65 lakh to BCCL against Advertisement contract entered by the Holding Company with the BCCL. The above advance would be adjusted against advertisement expense to be incurred by the Holding Company in future. The Advertisement contract is effective till July 2021. The Holding Company is currently evaluating various advertisement opportunities to utilize the above advance within the contractual period.

49 Ind AS 116 - Leases

The Group has leases for the office, warehouse, retail stores and others. With the exception of short-term leases and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. There are no restrictions imposed on the Group under the lease arrangement. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security against the Group's other debts and liabilities. For leases over office buildings and other premises, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

A Lease payments not included in measurement of lease liability

Particulars	31 March 2020
Expenses relating to short term leases (included in other expenses)	133.14
Total	133.14

B Impact on transition

- 1 The Group has adopted Ind AS 116 'Leases' from 1 April 2019.
- 2 Ind AS 116 'Leases' replaces Ind AS 17 'Leases' along with three Interpretations (Appendix A 'Operating Leases-Incentives', Appendix B 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease' and Appendix C 'Determining whether an Arrangement contains a Lease'). The Group has used the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and taken the cumulative adjustment to retained earnings, on the date of initial application (1 April 2019). Accordingly, comparatives for the year ended 31 March 2019 have not be retrospectively adjusted.
- 3 For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from Ind AS 17 and Appendix C and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and Appendix C.
- 4 On adoption of Ind AS 116, the Group recognised lease liabilities and right of use assets in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 "Leases", except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.
- 5 Lease liabilities are measured at the present value of the lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 9.63% per annum.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

- 6 The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 01 April 2019. Also, the Group has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases. Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.
- C The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term (in years)
Office	2	1-4.6 year	2.6 Years
Stores	77	1-16.5 Year	8.2 Years
Warehouse	3	1-4.6 Year	3.1 Years
Factory	1	4.6 years	4.6 years

- D The following are amounts recognised in statement of profit and loss:

Particulars	Year ended 31 March 2020
Amortisation expense of right-of-use assets	3,405.54
Interest expense on lease liabilities	2,836.26
Rent expense	133.14
Total	6,374.94

- 50 During the year, V2 Smart Manufacturing Private Limited ('VSMPL' or 'the subsidiary') has been incorporated (on 25 October 2019) as a wholly owned subsidiary of V2 Retail Limited ('the Holding company'). VSMPL is in the business of manufacturing of apparels. It was incorporated on 25 October 2019 and has commenced its business on 12 November 2019. Consequently, the consolidated financial statements have been presented and in the absence of comparative numbers, the same have not been presented in the consolidated financial statement.
- 51 During the current year, the managerial remuneration paid by the Holding Company to its Managing Director and Whole Time Director is in excess of limited laid down under Section 197 of the Companies Act, 2013 ('the Act') read with Schedule V to the Act. The Holding Company will seek approval from the shareholders at the ensuing Annual General Meeting. However, the above remuneration has been approved by Remuneration Committee in its meeting held on 24 June 2020.
- 52 World Health Organization (WHO) declared outbreak of Corona virus disease (COVID-19) a global pandemic. Consequent to this, Government of India has declared lockdown i.e., 24 March 2020 which is causing significant economic slowdown and disruptions of business operations. This has also temporarily impacted the business activities of the Group such as closure of stores and warehouse, disruption of supply chain, etc. The Group has prepared cash flow projections to assess the cash flow requirements and funds available from various sources including bank borrowings etc. for next 12 months. The management has also considered the possible effects of the pandemic on the carrying values of assets and the business forecasts. In developing the assumptions relating to the possible impacts of this pandemic and cash flow projections, the Group has used internal and external information up to the date of approval of these financial results and current indicators of future economic conditions. The Group expects to recover the carrying amount of these assets and have sufficient liquidity for business operations for at least another twelve months. The impact of the pandemic on the Group's financial results may differ from that estimated as at the date of approval of these financial results and the management will continue to closely monitor any material changes arising of future economic conditions and impact on its business.
- 53 The Group has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Liabilities (net) as at 31 March 2019 and estimate of tax expense for the year ended 31 March 2020 have been re-measured. The resultant impact is being recognised over the financial year. Consequently, tax expense for the year ended 31 March 2020 includes a one time charge of ₹ 410.10 lakh.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ in lakh unless otherwise stated)

54 Interests in subsidiaries

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹)	As % of consolidated net assets	Amount (₹)	As % of consolidated net assets	Amount (₹)	As % of consolidated net assets	Amount (₹)
Parent								
V2 Retail Limited	100.49%	28,053.75	115.53%	1,014.53	100.00%	(51.39)	116.49%	963.14
Indian subsidiaries								
V2 Smart Manufacturing Private Limited	4.83%	1,349.78	-17.11%	(150.22)	0.00%	-	-18.17%	(150.22)
		29,403.53		864.29		(51.39)		812.90
Consolidation adjustments and eliminations	-5.32%	(1,486.12)	1.58%	13.88	0.00%	-	1.68%	13.88
Total	100.00%	27,917.40	100.00%	878.17	100.00%	(51.39)	100.00%	826.78

55 No adjusting or significant non-adjusting events have occurred between the 31 March reporting date and the date of authorisation.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration Number: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: New Delhi
Date: 25 June 2020

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

Ram Chandra Agarwal
Chairman and Managing Director
DIN: 00491885

Akash Agarwal
Whole Time Director and
Chief Financial Officer
DIN: 03194632

Place: New Delhi
Date: 25 June 2020

Manshu Tandon
Chief Executive Officer

Sudhir Kumar
Company Secretary and
Compliance Officer
M.No. A25125

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Name of the subsidiary	V2 Smart Manufacturing Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of holding company
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
Share capital	1,500.00
Reserves & surplus	(150.22)
Total assets	4,113.73
Total liabilities*	2,763.94
Investments	-
Turnover	291.07
Profit before taxation	-180.08
Provision for taxation	-29.86
Profit after taxation	(150.22)
Proposed Dividend	-
% of shareholding	100%

*Total Liabilities excluding of share capital and Reserves & Surplus.

Names of the subsidiaries which are yet to commence operations – NIL

Names of subsidiaries which have been liquidated or sold during the year – NIL

Part "B": Associates and Joint Ventures

(Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

Note: The Company does not have any Associate/Joint Venture Company as on 31st March, 2020

Names of the associate or joint ventures which are yet to commence operations – NIL

Names of the associate or joint ventures which have been liquidated or sold during the year – NIL

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

Ram Chandra Agarwal
Chairman and
Managing Director
DIN: 00491885

Manshu Tandon
Chief Executive Officer

Akash Agarwal
Whole Time Director and
Chief Financial Officer
DIN: 03194632

Sudhir Kumar
Company Secretary and
Compliance Officer
M.No. A25125

Place: New Delhi

Date: 25-June-2020

CORPORATE INFORMATION

Chairman & Managing Director

Mr. Ram Chandra Agarwal

Whole Time Director

Mrs. Uma Agarwal

Whole Time Director & CFO

Mr. Akash Agarwal

Chief Executive Officer

Mr. Manshu Tandon

Company Secretary & Compliance Officer

Mr. Sudhir Kumar

Directors

Mr. Harbir Singh Sidhu
(Independent Director)

Mrs. Archana Surendra Yadav
(Independent Director)

Mr. Lalit Kumar
(Independent Director)

Dr. Arun Kumar Roopanwal
(Independent Director)

Ms. Rochelle Susana D'Souza
(Nominee Director)

Board Committees

Audit Committee

Mr. Lalit Kumar, Chairman
Mr. Ram Chandra Agarwal
Mrs. Archana Surendra Yadav
Mr. Harbir Singh Sidhu

Nomination and Remuneration Committee

Dr. Arun Kumar Roopanwal, Chairman
Mr. Lalit Kumar
Mr. Harbir Singh Sidhu

Stakeholders Relationship Committee

Mr. Harbir Singh Sidhu, Chairman
Mrs. Archana Surendra Yadav
Mr. Ram Chandra Agarwal
Mrs. Uma Agarwal

Corporate Social Responsibility Committee

Mrs. Archana Surendra Yadav, Chairperson
Mr. Ram Chandra Agarwal
Dr. Arun Kumar Roopanwal
Mr. Akash Agarwal

Statutory Auditors

Walker Chandiok & Co LLP
Chartered Accountants

Registrar & Transfer Agent

Link Intime India Private Limited
Noble Height, 1st Floor, Plot No. NH-2, C-1 Block,
LSC, Near Savitri Market, Janakpuri,
New Delhi-110058
Tel No : 011-41410592
Email: delhi@linkintime.co.in

Registered & Corporate Office

Khasra No. 928, Extended Lal Dora Abadi,
Village - Kapashera, Tehsil -Vasant Vihar,
New Delhi 110 037
Tel : +91 11 41771850
E-mail: cs@vrl.net.in

Warehouse / Distribution Center

Village Mubarikpur, Farrukh Nagar,
Gurgaon-122506

Website : www.v2retail.com

CIN : L74999DL2001PLC147724



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