



# ANNUAL REPORT

2016-17



## CORPORATE INFORMATION

### V2 Retail Limited

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▶ **BOARD OF DIRECTORS**

Mr. Ram Chandra Agarwal: Chairman & Managing Director  
Mrs. Uma Agarwal: Whole Time Director  
Mr. Lalan Yadav: Independent Director  
Mr. Siya Ram: Independent Director  
Mr. Ravinder Kumar Sharma: Independent Director

▶ **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Umesh Kumar

▶ **CHIEF FINANCIAL OFFICER**

Mr. Vipin Kaushik

▶ **STATUTORY AUDITORS**

M/s. AKGVG & Associates, Chartered Accountants  
307, Pearl Corporate, Mangalam Place,  
Sector - 3, Rohini,  
Delhi - 110085

▶ **REGISTERED & CORPORATE OFFICE**

Khasra No. 928, Extended Lal Dora Abadi, Village - Kapashera,  
Tehsil -Vasant Vihar, New Delhi 110 037  
Website: [www.v2retail.com](http://www.v2retail.com),  
E-mail: [cs@vrf.net.in](mailto:cs@vrf.net.in)  
CIN NO. : L74999DL2001PLC147724  
Phone : (011) - 41771850

▶ **REGISTRAR AND TRANSFER AGENT**

Link Intime India Private Limited  
C 101, 247 Park, L B S Marg, Vikhroli West,  
Mumbai 400 083 Tel No: +91 22 49186000  
Fax: +91 22 49186060 Email: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

## 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 ”



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वैल्यू एण्ड वैरायटी

V2

Value & Variety

SALE 30% OFF

Summer  
Fashion

वैल्यू एण्ड वैरायटी

V2<sup>04</sup>

Value & Variety



# EXECUTIVE SUMMARY



## EXECUTIVE SUMMARY

### RETAIL INDUSTRY : A HIGH GROWTH INDUSTRY

- Indian Retail is one of the fastest growing markets in the world due to economic growth.
- Changing customer preferences leading to a rapid shift to organised retail. Growth of organised retail will further boost and help in enhance availability and drive growth.
- High disposable income leading to shift in consumer preferences to branded and premium products. Consumer expenditure estimated to be USD 3.6 trillion by 2020 vis-à-vis USD 1.25 trillion in 2015.
- Retail market in India to reach USD 1.3 trillion by 2020 from USD 600 billion in 2015.
- Rising number of Tier 2 & Tier 3 cities to enhance supermarket space in the country.

### V2 RETAIL : WELL ENTRENCHED TO CAPTURE THE GROWTH IN THE INDUSTRY

- V2 Retail is one of the fastest growing retail company in India and enjoys strong brand equity from customers across segments.
- The Company currently operates 37 stores spread across 13 states with a total retail area in excess of 4.62 lac Sq. Ft.
- Company is focusing on Private Labels and scaling up in-house brands across all price points.
- Per sq. ft sales of more than ₹ 1100 per month for last three years, one of the best amongst apparel retailers.
- The Company caters to the 'Neo Middle Class' and 'middle class' group of population living in small towns.
- Company is catering to the needs of young class of people.
- In North India, company has one of the best Information Technology tool resources and well equipped warehouse.
- Experienced Management with strong industry expertise with its promoters having an experience of around 25 years in the Retail Industry.
- Revenue of ₹ 4,714 million and PAT of ₹ 373 million in FY 2017. Revenue has been growing at CAGR of 64% during FY 2012 - FY 2017.
- Debt reduction from ₹ 984 million to ₹ 88 million in FY 2017.



**KEY  
STRENGTH**





## KEY STRENGTH

1.

V2 Retail – One of the fastest growing retail chains in India.

2.

Operating in a niche segment of 'Value Retailing'.  
Clear focus on Apparel and General Merchandise Segment.

3.

Consistent per square feet sale of more than ₹ 1100 per month  
for past 3 years, the best amongst apparel retailers.

4.

Focused approach on growth of same store sales and better footfall  
conversion for margin improvement to create further value.

5.

Systems & Processes are in place for Inventory Management & MIS.

6.

Zero working capital debt based expansion and virtually Zero Debt Company.



V2

# COMPANY OVERVIEW



V2

वैरायटी

Value

V2

Value & Variety



LADIES WEAR

## COMPANY OVERVIEW

OPERATES ON ITS KEY GUIDING PRINCIPLES OF  
"VALUE & VARIETY" AT REASONABLE PRICE TO CONSUMERS

- V2 Retail Limited (formerly known as Vishal Retail Limited), incorporated in the year 2001 with an objective of providing merchandise to masses at affordable price.
- 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.
- 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.
- The Company is one of the fastest growing Retail Company in India.
- Per sq. ft sales of more than ₹ 1100 per month for last three years, the best amongst apparel retailers.
- The Company caters to the 'neo middle class' and 'middle class' group of population living in small towns.

**37**  
STORES

**4.62**  
LAC SQ. FT.  
RETAIL AREA

**13**  
STATES

## RETAIL STORES

ODISHA  
2 STORES

BIHAR  
14 STORES

NCR  
3 STORES

NORTH  
EAST  
4 STORES

UTTAR  
PRADESH  
8 STORES

JHARKHAND  
1 STORES

UTTRAKHAND  
2 STORES

KARNATAKA  
1 STORES

WEST  
BENGAL  
1 STORES

HIMACHAL  
PRADESH  
1 STORES

37  
STORES



## RETAIL STORES



## MILESTONES

**2017**

The number of stores increased to 37.

Crossed an aggregate more than 4.60 lac square feet of retail space.

Turnover crossed ₹ 470 crores during FY 2017.

**2016**

The number of stores increased to 22.

Crossed an aggregate of more than 2.60 lac square feet of retail space.

Turnover crossed ₹ 315 Cr.

**2014**

Stores increased to 16 with more than 2 lac square feet of retail space.

Turnover crossed ₹ 225 Cr.

**2013**

Turnover Crossed ₹ 100 Cr.

**2012**

1st Store in Jamshedpur

**2011**

Brand 'Vishal' sold due to operational losses.

Changed name from Vishal Retail Limited to V2 Retail Ltd.

**2008**

Turnover of Approx ₹ 1000 Cr.

**2007**

Went Public and Raised ₹ 110 Cr.

**2001**

Incorporated in 2001 as Vishal Retail Ltd.

## BUSINESS VERTICALS

- **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
- **LIFESTYLE**  
DEODORANTS  
WALLETS  
SUNGLASSES  
LADIES PURSE ETC.

### SALES MIX

MENS WEAR 44%

LADIES WEAR 27%

KIDS WEAR 26%

LIFE-STYLE 03%



## BUSINESS VERTICALS

### THE KEY FACTORS DRIVING APPAREL BUSINESS

# SHOPPING TRIGGER

TRIGGERS FOR APPAREL SHOPPING	Occasions Drive Purchases Festivals   Weddings   Birthdays   Social Functions
	Emotional Needs New Seasons   New Trends   Fun times   Feels likes it
KEY ASPECTS	Functional Needs Discount   Offers   Sale   Replace Old
	Price   Quality of make & Type of Fabrics   Durability   Comfort   Fit

- Key guiding principles of "Value & Variety" at reasonable price to consumer.
- V2 Retail is a "one stop family shop" with a comprehensive portfolio of product offerings.
- Range of products to suit everyone's budget.
- Shopping from an organized retail store fulfils the aspirational value of people living in small towns.

# BUSINESS PROCESS





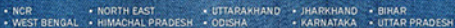
## STORE PRESENCE AND STRONG PRODUCT SOURCING CAPABILITIES

### EXPANSION OF STORES WITH FOCUS ON PROFITABILITY

V2 Retail opens new stores with a clear focus on profitability. The idea is to do profitable growth than geographical based expansion.

Currently, it owns and operates 37 stores spread out across 35 cities & 13 states amounting to approx 4.62 lac Sq. Ft.

The Company has one distribution center capable of catering to 10 lakh sq. ft. of retail space.



• NCR • NORTH EAST • UTTARAKHAND • JHARKHAND • BIHAR  
• WEST BENGAL • HIMACHAL PRADESH • ODISHA • KARNATAKA • UTTAR PRADESH

### STRONG AND DIVERSIFIED PROCUREMENT NETWORK

Centralized procurement system ensuring all the products go through rigorous quality parameter check.

Timely payments to vendors to ensure seamless supply at best prices.

The company has a wide network of vendors and suppliers spread across the country.

The benefits of centralized procurement ensures right products at right time at reasonable cost to end consumer.

## COMPETITIVE STRENGTHS

### FIRST MOVER ADVANTAGE

25 years of experience in serving the Indian Retail space. V2 Retail has a first mover advantage in various Tier-II and Tier-III cities. It is one of the pioneers in opening stores in smaller Indian towns and Tier-II and Tier-III cities like Jaunpur, Haldwani, Arrah, Chapra etc.

### PER SQUARE FEET SALES

One of the most efficient apparel retailer with consistently maintaining per square feet sales of more than ₹ 1100 per month for last 3 years.

### CENTRALIZED PROCUREMENT SYSTEM & QUALITY CHECK

Centralized procurement and rigorous quality check. It has a wide network of registered vendors and suppliers spread across the country.

### EFFICIENT SUPPLY CHAIN MANAGEMENT

The Company has comprehensive SCM system comprising of planning, sourcing, standardization, logistics, quality control, pilferage control, replacement and replenishment. The Company has one distribution center capable of catering to 10 lakh sq. ft. of retail space.

### STRONG IT INFRA. SYSTEMS & PROCESSES

The Company uses an comprehensive ERP software (SAP) It has a strong Management Information System ('MIS')

### PLEASANT AMBIENCE

It provides pleasant Air-Conditioned stores ambience with trial rooms and a modern shopping environment to its in Tier-II and Tier-III cities.

### ONE STOP FAMILY SHOP

The Company's 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.

## KEY MANAGEMENT PROFILE

### MR. RAM CHANDRA AGARWAL Chairman and Managing Director

Mr. Agarwal holds a bachelor's degree in Commerce.

He has more than 25 years of entrepreneurial and business experience. He has been a member of the Board of Directors since inception. He provides strategic direction to the Company and is the driving force behind the establishment and growth of the Company.

He is the pioneer in value retailing and brought this concept in India.

He was conferred several awards at different forums such as Ernst & Young Entrepreneur of the year award in 2008 and 4Ps Power Brand Award in 2007.



### MRS. UMA AGARWAL Whole Time Director

Mrs. Agarwal holds a bachelor's degree in Arts.

She has more than 15 years of experience in the retail industry.

She has been a member of the Board of Directors since inception. She oversees the marketing strategies of the Company.



### MR. AKASH AGARWAL Whole Time Director

Board of directors has recommended to members in forth coming AGM for the the Appointment of Mr. Akash Agarwal as a Whole Time Director of the Company.

Mr. Agarwal is a commerce Graduate.

He has more than 5 years of experience in the Retail Industry.



## KEY MANAGEMENT PROFILE



**MR. GAURANG GOVIND**  
Head - Retail

- ▶ Mr. Govind is a Post-Graduate in Commerce and MBA (Marketing).
- ▶ He has 23 years of experience in Retail and Tele-comm. Industries.



**MR. PRATIK ADUKIA**  
Head - Merchandising

- ▶ Mr. Adukia is commerce graduate and CA Inter.
- ▶ He has more than 15 years of experience in Retail Industry.



**MR. VIPIN KAUSHIK**  
Chief Financial Officer

- ▶ Mr. Kaushik is a Chartered Accountant.
- ▶ He has more than 11 years of experience in Accounts & Finance.



**MR. ABHISHEK KHEMKA**  
Head - Planning & Sourcing

- ▶ Mr. Khemka is a commerce graduate.
- ▶ He has more than 19 years of experience in the retail industry.



**MR. GAURAV BAJAJ**  
GM - Merchandising

- ▶ Mr. Bajaj holds a degree in PGDBM (Retail Management) and BE (Electronics)
- ▶ He has more than 20 years of experience in Retail Industry.



**MR. RITESH KUMAR**  
Project Head

- ▶ Mr. Kumar B.tech Graduate in Civil Engineering.
- ▶ He has 16 Years of Experience in Retail Sector



**MR. SUNIL KUMAR**  
Quality Management  
& IT Head

- ▶ Mr. Sunil is Graduate & did 3 year APTECH Course of Software Engineering.
- ▶ 10 Year+ Experience & Working Since 2007 in Vishal Retail Ltd.



**MR. GAGAN DEEP**  
Business Development Head

- ▶ Mr. Deep B.tech Graduate from Hindu College of Science & Engineering a Sonapat.
- ▶ 11 Years of Experience in different companies like Tata Teleservices Ltd.



**MR. AJAY MISHRA**  
SCM Head

- ▶ Mr. Mishra 12 Twelve years of Experience and worked with Biba Apparels Pvt. Ltd
- ▶ Also worked in Spencer's Retail Ltd as Manager Warehouse.



**MR. UMESH KUMAR**  
CS & Compliance Officer

- ▶ Mr. Kumar is a Member of The Institute of Company Secretaries of India and a Commerce Graduate.
- ▶ He is also a Member of Chartered Institute of Security and Investment (London, United Kingdom)
- ▶ He is National Stock Exchange Certified Market Professional Level 1, Level 2 & Level 3.

A man in a light blue shirt is lying on his stomach on a white rug, smiling at a baby who is crouching and playing with chess pieces. The background is white with red geometric patterns (lines and dots) in the corners and several red lightbulb icons scattered around. A red rectangular box contains the text "BUSINESS STRATEGY".

## BUSINESS STRATEGY

## BUSINESS STRATEGY

### DRIVE REVENUE

Cross Promotion through Intelligent Marketing

Develop own brands & increase share of private label

Scaling up the retail presence by adding 2 lakh sq ft every year

Focus on increasing same stores sales growth

Continue to provide latest fashion at reasonable price

Further Strengthening Procurement Network

Full fill aspiration of neo middle class and middle class

System & Processes for better efficiency

### GROWTH IN NET PROFIT

Zero working CAPITAL debt based expansion

Inventory Management

Moving up the Value Chain

Profitable Growth

A photograph of a clothing store interior, featuring racks of various garments. The scene is overlaid with a semi-transparent red banner in the center containing the text 'INDUSTRY OVERVIEW'. The store has a modern aesthetic with recessed ceiling lights and decorative perforated panels. In the foreground, there are several racks of clothing, including patterned dresses and tops. The background shows more racks and a chandelier hanging from the ceiling. The overall color palette is muted, with a strong red overlay.

## INDUSTRY OVERVIEW

## INDIAN RETAIL INDUSTRY

### OVERVIEW

- The Indian Retail sector is emerging as one of the largest sector in the economy.
- Retail industry is expected to grow to US\$ 1.3 trillion by 2020, registering a CAGR of 16.7% between 2015-2020.
- The organized retail penetration in India is low (8 per cent) compared with that in other countries, such as US (85%). This indicates strong growth potential for organized retail in India.
- Organized retail is expected to account for 24% of the overall retail market by 2020.
- Clothing & Footwear at 37% has the largest share of the organized retail market in FY15.
- The retail sales during FY20 to surge by 2x from the FY15 sales level aggregating USD 1300 billion during FY20 recording a CAGR of 16.72%.
- Rapid emergence of organized retail outlets, such as mega malls and hypermarkets, are augmenting the growth of organized retail in the country. Retailers have made dynamic changes in supply chain and logistics for competitive advantage and meeting consumer demands

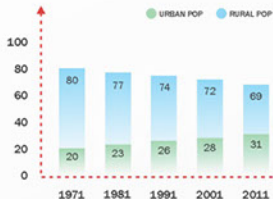
### INDIAN RETAIL MARKET SIZE

INDIAN RETAIL SALES TO SURGE BY 2 TIMES BY FY20



## RURAL - URBAN POPULATION

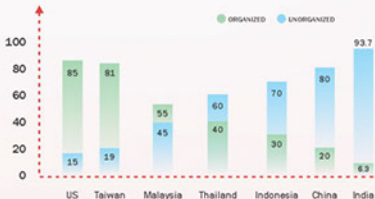
- The share of rural population in the total population has declined from 80.1% in 1971 to 68.8% in 2011.
- The primary reason for the higher share of unorganized retail in India emanates from the fact that rural sale comprises a major share of the total retail sales.
- Tier II and Tier III cities are a big opportunity in themselves with more than 80 cities occupied by around 90-100 million population in total.



## ORGANIZED RETAIL MARKET & PENETRATION



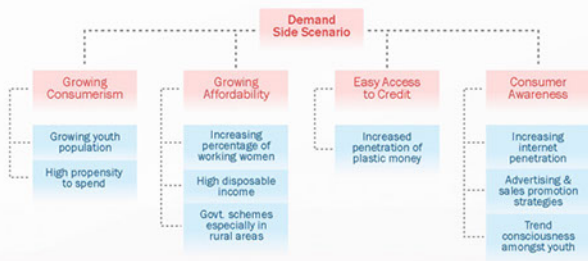
## SHARE OF UNORGANIZED RETAIL (%)



- The Indian retail sector is highly fragmented. More than ninety per cent of its business is being run by the unorganized retailers like the traditional family run stores and corner stores.
- Primarily dominated by the unorganised segment, in India the unorganised retail segment's share is quite high as compared to the unorganised retail contribution of 15-20% to the total retail sales in countries such as U.K., U.S., Taiwan.

## ORGANIZED RETAILING

### Demand Supply Gap in Tier II and Tier III Cities



### Demand - Supply Gap in Tier II and Tier III Cities





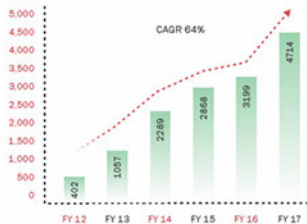


## KEY FINANCIAL INDICATORS



## ROBUST FINANCIAL PERFORMANCE

### Revenue (₹ Million)



### EBIDTA (₹ Million) and EBIDTA Margins (Operational EBIDTA)



### PAT (₹ Million) and PAT Margins



### PBT (₹ Million) and PBT Margins (PBT Adjusted)

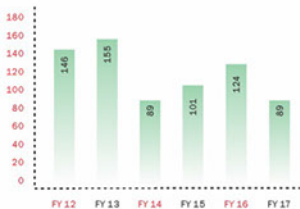


## KEY OPERATING METRICS

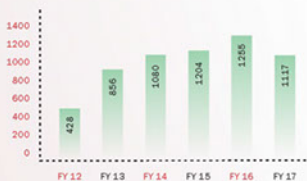
### No. of Stores and Retail Space (lakh sq.ft.)



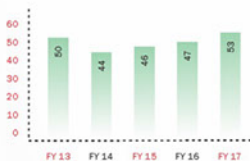
### Inventory Holding Days



### Sales per Sq.Ft. (₹ Per Month)



### Rent per Sq.Ft. (₹ Per Month)





# REPORTS SECTION



## V2 RETAIL LIMITED

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

### NOTICE

**NOTICE IS HEREBY GIVEN THAT SIXTEENTH ANNUAL GENERAL MEETING OF THE V2 RETAIL LIMITED WILL BE HELD ON FRIDAY, 29<sup>TH</sup> SEPTEMBER, 2017 AT KHASRA NO.1138, SHANI BAZAR CHOWK, RAJOKARI, NEW DELHI 110038 AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:**

#### **ORDINARY BUSINESS:**

- To consider and adopt the audited Financial Statement of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors' and the Auditor's thereon.**
- To appoint a director in place of Smt. Uma Agarwal (DIN:00495945), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers herself for reappointment.**  
"RESOLVED THAT, pursuant to section 152 and other applicable provisions, if any, of the Companies Act, 2013, the approval of members of the Company be, and is hereby accorded to the re-appointment of Smt. Uma Agarwal (DIN: 00495945), as a Whole Time Director, to the extent that she is required to retire by rotation.
- To appoint the Auditor of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution, for appointment of the Statutory Auditor for a term of 5 years i.e. from the conclusion of this AGM (16<sup>th</sup> AGM) until 21<sup>st</sup> (Twenty First) AGM (i.e. for a period of Five Year) subject to an yearly ratification by the members of the Company in Annual General Meeting, and fixation of their remuneration, as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and including any statutory modification(s) or re-enactment thereof for the time being in force, and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s. Walker Chandok & Co LLP, Chartered Accountants, Delhi (Firm Registration No 001076N/N500013), be and are

hereby appointed as the Statutory Auditor of the Company, in place of retiring auditor M/s. AKGVG & Associates, Chartered Accountants, Delhi (Firm Registration No. 018598N), for a term of 5 consecutive years, to hold office from the conclusion of this (Sixteenth AGM) Annual General Meeting till the conclusion of the Twenty First Annual General Meeting of the Company, subject to an yearly ratification by the members of the Company at every Annual General Meeting and Board of Directors be and is hereby authorised to fix such remuneration and reimbursement of out of pocket expenses, if any, as recommended by the Audit Committee of the Board of Directors of the Company in consultation with the Auditor.

**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."

#### **SPECIAL BUSINESS:**

- 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. Siya Ram (DIN 07350695) who was appointed by the board as an Additional Director designated as Non- Executive Independent Director w.e.f. 5<sup>th</sup> May, 2017 and who holds office till the date of ensuing Annual General Meeting of the Company and who has submitted a declaration confirming that he meets the criteria of independence under section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the

Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and will hold office of Director for 5 (Five) consecutive years i.e. till 4<sup>th</sup> May, 2022 .

**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, Mr. Jitender (DIN 07905191) who has submitted a declaration confirming that he meets the criteria of independence under section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director w.e.f. 29<sup>th</sup> September, 2017, not liable to retire by rotation and will hold office of Director for 5 (Five) consecutive years i.e. till 28<sup>th</sup> September, 2022."

**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 a Special Resolution:**

**"RESOLVED THAT** pursuant to Section 152 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification and re-enactment(s) thereof, for the time being in force.) and the Articles of Associations of the Company, Mr. Akash Agarwal (DIN: 03194632) in respect of whom the Company has received a Notice in writing from a member under section 160 of Company Act, 2013, signifying his intention to propose Mr. Akash Agarwal as a candidate of the office of a Director of the Company, be and is hereby appointed as a

Director of the Company w.e.f. 29<sup>th</sup> September, 2017 and will be liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 2(94), 196, 197, 203 of the Companies Act, 2013, read with Schedule V and the rules made there under and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, and the provisions of Articles of Association and remuneration policy of the Company and subject to the approval of Central Government, if required and such other authorities as may be necessary, the consent of the Shareholders of the Company be and is hereby accorded to appoint Mr. Akash Agarwal (DIN:03194632) as Whole Time Director on the Board of the Company w.e.f. 29<sup>th</sup> September, 2017 for a period of five (5) years with effect from 29<sup>th</sup> September, 2017 to 28<sup>th</sup> September, 2022, at a remuneration of Rs. Rs. 3,600,000 p.a. plus perquisites and other terms and conditions (as revised from time to time) and his term of office shall be liable to retire by rotation .

**RESOLVED FURTHER THAT** in the event of no profits or inadequacy of profits in any financial year the remuneration payable to Mr. Akash Agarwal shall be regulated in accordance with applicable parts/sections of the Schedule V and/or other applicable provisions of the Act, as existing from time to time.

**RESOLVED FURTHER THAT** the approval of the Company be and is hereby accorded to the terms and conditions including remuneration payable, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Akash Agarwal, subject to the same not exceeding the limits specified under section 197 or Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary, be and are hereby severally authorised on behalf of the Company, to do all such acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns along with filing of necessary E- form with the Registrar of Companies, NCT of Delhi and Haryana."

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

**RESOLVED THAT** pursuant to the provisions of Section 2(54), 196,197, 203 of the Companies Act, 2013, read with Schedule V and the rules made there under and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, and the provisions of Articles of Association and remuneration policy of the Company and subject to the approval of Central Government, if required and such other authorities as may be necessary, pursuant to the approval of board and recommendation of nomination and remuneration committee of Board of Directors, the consent of the Shareholders of the Company be and is hereby accorded to re-appoint Mr. Ram Chandra Agarwal (DIN: 00491885), as the Chairman and Managing Director of the Company for a period of five years from November 22, 2016 to November 21, 2021 at a remuneration of Rs. 500,000 p.m. plus perquisites and other terms and conditions (as revised from time to time) and his term of office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** in the event of no profits or inadequacy of profits in any financial year the remuneration payable to Mr. Ram Chandra Agarwal shall be regulated in accordance with applicable parts/sections of the Schedule V and/or other applicable provisions of the Act, as existing from time to time.

**RESOLVED FURTHER THAT** the approval of the Company be and is hereby accorded to the terms and conditions including remuneration payable, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Ram Chandra Agarwal, subject to the same not exceeding the limits specified under section 197 or Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary, be and are hereby severally authorised on behalf of the Company, to do all such acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns along with filing of necessary E-form with the Registrar of Companies, NCT of Delhi and Haryana."

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

Date: 21-08-2017  
Place: New Delhi

Ram Chandra Agarwal  
DIN: 00491885

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE SIXTEENTH ANNUAL GENERAL MEETING (THE "MEETING") IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS (48 HOURS) BEFORE THE SCHEDULED TIME FIXED FOR HOLDING THE AFORESAID MEETING.

A BLANK PROXY FORM IS ENCLOSED.

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

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

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

2. Explanatory Statement as required under Section 102 of Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.



3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the Company.
4. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
5. The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting..
6. The Annual Report 2016 17 is being sent through electronic mode only to those members whose email address are registered with the Company/Depository Participant(s), unless any member who has requested for a physical copy of the report. For members who have not registered their email address, physical copies of the annual report 2016 17 are being sent by the permitted mode.
7. No gifts, gifts coupons, or cash in lieu of gifts is distributed in the Meeting.
8. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) intending to send their 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:
- authorized representatives to attend the Meeting are requested to send certified true copy of the Board Resolution/Authority Letter, together with attested specimen signature(s) of the duly authorized representative(s), to the Company to attend and vote on their behalf at the Meeting.
9. All documents referred to in the notice are open for inspection at the registered office of the Company between 11:00A.M. to 1:00P.M. on all working days up to the date of Annual General Meeting.
10. 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.
11. 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.
12. In terms of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Smt. Uma Agarwal, Director, retires by rotation at the ensuing Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company commends her re-appointment.

<b>Name and Age of Director</b>	Smt. Uma Agarwal, 41 years
<b>Date of Birth</b>	15/11/1975
<b>DIN</b>	00495945
<b>Date of first Appointment in board</b>	23/07/2001
<b>Expertise in Specific Functional Area</b>	She holds more than Fifteen years of experience in Retail Industry
<b>Qualifications</b>	Bachelor's Degree in Arts
<b>Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid</b>	To be appointed as Director being eligible to retire by rotation and remuneration is Rs.500,000 Per Month
<b>Last Drawn Remuneration</b>	Rs.500,000 Per Month
<b>Directorship in Other Public Companies</b>	V2 Conglomerate Limited Unicon Marketing Pvt Ltd Ricon Commodities Pvt. Ltd. Rishikesh Commosales Private Limited Topline Vintrade Private Limited Vishal Waterworld Private Limited Sunita Fashion Private Limited

<b>No. of Board Meeting attended during the year 2016-2017</b>	11
<b>Membership/Chairmanship of Other Public Companies Committees</b>	None
<b>Relationship with other Directors</b>	Mrs. Uma Agarwal is related to Mr. Ram Chandra Agarwal
<b>Shareholding in the Company</b>	3,44,000 (Three Lacs Forty Four Thousand) Equity Shares as on March 31, 2017
<b>Brief Resume</b>	Smt. Uma Agarwal hold Bachelor's Degree in Arts and She holds more than Fifteen years of Experience in Retail Industry.

13. 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.
14. The Register of Members and Share Transfer Books of the Company shall remain closed from September 23, 2017 to September 29, 2017(both days inclusive).
15. Members/Proxies should bring their copy of the Annual Report for reference at the meeting and also the duly filled in and signed attendance slip for attending the meeting.
16. 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.
17. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
18. The members intending to seek any information on Annual Accounts at the meeting are requested to kindly inform the Company at least 7 days before the date of the meeting.
19. 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.
20. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the space provided in the Attendance Slip and hand it over at the registration counter.
21. 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.
22. 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.
23. Non-Resident Indian Members are requested to inform RTA, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement or
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Member holding shares in physical form can submit their PAN details to the Company / Share Transfer Agent (RTA), Link Intime India Private Limited, 44, Community Centre, 2<sup>nd</sup> floor, Naraina Industrial Area, Phase-I, PVR Naraina, NewDelhi-110028 and also at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186006 Email: delhi@linkintime.co.in
24. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the



same by submitting a request letter in this respect to the Company / Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only.

25. The Notice of AGM and Attendance Slip is being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the members have registered their request for a hard copy of the same. Physicakopies of the Notice of AGM and Attendance Slip are being sent to those members who have not registered their e-mail IDs with the Company or Depository Participant(s).

## 26. VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means

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

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

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

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

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- viii) Click on the EVSN for the relevant "V2 RETAIL LIMITED" on which you choose to vote.
- ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to

- the Resolution.
- xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xix) If demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional share holders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

#### In case of members receiving the physical copy:

- i) Please follow all steps sl. no. (i) to sl. no. (xvii) above to cast vote.
- xviii) The remote e-voting period will commence at 9.00 A.M. on Tuesday, September 26, 2017 and will end at 5:00 P.M. on Thursday, September 28, 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 22, 2017 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- xviiii) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at

[www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- xix) The share holders can opt for only one mode of voting, i.e. either ballot voting by attending AGM or remote e-voting. If any shareholders opt for remote e-voting, he/she will not be eligible to vote physically in AGM. However members who are attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting
- xx) The official responsible to address the grievances connected with voting by electronic means - Mr. Umesh Kumar and Mr. Vipin Kaushik, Ph. No. 011-41771850
- xxi) Company shall publish the result of remote e-voting & the resolutions passed at its general meeting on its Website.
27. The Board of Directors has appointed Mr Sharwan Kumar Goel, Chartered Accountant in practice (Firm Registration No.027892N.) as the Scrutinizer, for conducting the voting / poll and remote e-voting process in a fair and transparent manner.
28. 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.
29. The result of voting shall be declared by the Chairman of the meeting on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.v2retail.com](http://www.v2retail.com) and on the website of the CDSL immediately after the result is declared by the Chairman.
30. The result will also be communicated to stock exchange where the shares of the Company are listed.

#### ANNEXURE TO THE NOTICE

##### Explanatory Statement

##### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 Item No. 4 & 5 to the Notice

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting on <sup>25</sup> May 2017 has approved the appointment of Mr. Siya Ram (DIN 07350695) as an independent Director of the Company for a term of 5 years i.e. from 5<sup>th</sup> May, 2017 to 4<sup>th</sup> May, 2022, 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 Board of Directors of the Company propose the resolution for appointment of Mr. Jitender as an Independent Director of the Company for a term of 5 years i.e. from 29<sup>th</sup> September, 2017 to 28<sup>th</sup> September, 2022, for the approval of shareholders, as the Company has received the notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Jitender for the office of Independent Director of the Company,

Further, the Company has also received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Siya Ram for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 and 152 of the Companies Act, 2013.

**The Company has received the following disclosures / declarations from Mr. Siya Ram and Mr. Jitender:**

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

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. Siya Ram, 28 years	Mr. Jitender, 29 years
Director Identification Number	07350695	07905191
Qualification	Member of Institute of Company Secretary of India	Member of Institute of Company Secretary of India
Experience	More than 5 years of rich experience in Legal, Due Diligence and Secretarial Compliance	More than 5 years of rich experience in Legal, Due Diligence and Secretarial Compliance
Terms and Conditions of appointment along with details of remuneration sought to be paid	Term - : For a term of five consecutive years i.e. from 5th May, 2017 to 4th May, 2022 Conditions: As specified in Letter of Appointment	Term: For a term of five consecutive years i.e. from 29th September, 2017 to 28th September, 2022 Conditions: As specified in Letter of Appointment

In terms of Schedule IV of the Companies Act, 2013, the Board is of the opinion that Mr. Siya Ram, (DIN 07350695) and Mr. Jitender (DIN 07905191) fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Regulations and are independent from the management of the Company.

Mr. Siya Ram and Mr. Jitender are members of Institute of Company Secretary of India. Mr. Siya Ram has more than 5 years of rich experience in Legal, Due Diligence and Secretarial Compliance and Mr. Jitender has more than 5 years of rich experience in Legal, Due Diligence and Secretarial Compliance

A copy of the draft letter of appointment setting out the terms and conditions of appointment of the above Directors 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](http://www.v2retail.com).

The Board consider that their association would be of immense benefit to the Company and it is desirable to avail services of Mr. Siya Ram, (DIN 07350695) and Mr. Jitender (DIN 07905191) as an Independent Director. Accordingly, the Board seeks approval of the members for the appointment of Mr. Siya Ram, (DIN 07350695) and Mr. Jitender (DIN 07905191) as Independent Director of the Company for a term of five consecutive years, pursuant to section 149 and other applicable provisions of the Act, and Rules made there under.

Except Mr. Siya Ram (DIN 07350695) and Mr. Jitender (DIN 07905191) 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 & 5 of the Notice.

The Board recommends the resolution set forth in Item no. 4 and 5 for your approval.

Last Drawn Remuneration	N.A.	N.A.
Date of first appointment on the Board	5 <sup>th</sup> May, 2017	—
Shareholding in the company	Nil	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	He does not have any relationship with other directors, Manager and Key Managerial Personnel of the Company
No. of Board Meeting attended during the year	N.A.	N.A.
Directorship held in other companies	-	-
Membership/Chairmanship of the Committees across the other Companies	-	-
Brief Profile	Mr. Siya Ram is a member of the Institute of the Company Secretary of India and he hold more than 5 years of rich experience in Legal, Finance, Due Diligence and Secretarial Compliance	Mr. Jitender is a member of the Institute of the Company Secretary of India and he holds more than 5 years of rich experience in Legal, Finance, Due Diligence and Secretarial Compliance

#### Item No. 6 to the Notice

The Board of Directors in its Meeting held on August 21, 2017 has proposed the appointment of Mr. Akash Agarwal as Director of the Company and simultaneously recommend the appointment and remuneration of Mr. Akash Agarwal as Whole Time Director, the period of whose office shall be liable to determination by retirement by rotation, for a period of 5 years commencing from 29th September, 2017 to 28<sup>th</sup> September, 2022, in terms of the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies, Act 2013 ("Act"), and the Rules framed thereunder, as the company has received Notice in writing pursuant to Section 160 of the Companies Act, 2013 (the "Act") from a Member along with the deposit of requisite amount proposing Mr. Akash Agarwal candidature for the office of Director of the Company and simultaneously Whole Time Director of the Company (Executive Promoter Director).

Mr. Akash Agarwal is not disqualified from being appointed as director in terms of Section 164 of the

Companies Act, 2013 and has given his consent to act as director.

Mr. Akash Agarwal is holding DIN: 03194632. and declares that he is not disqualified from being appointed as a Director under the act as per section 152(4) of the Companies Act, 2013.

Mr. Akash Agarwal satisfies all the conditions set out in Part-1 of Schedule V of the Act and conditions as set out under sub-section (3) of Section 196 of the Companies Act, 2013.

Copy of the draft letter of appointment to be issued to Mr. Akash Agarwal is open for inspection in physical by any member of the Company at the Registered Office of the Company during the business hours on any working day. The same may be treated as written memorandum setting out the terms and conditions of his appointment under Section 190 of the Companies Act, 2013..

The Board considers that his association would be of immense benefit to the company and it is desirable to avail services of Mr. Akash Agarwal as a Director.

General Disclosure as per schedule V of the companies Act 2013:

I.	General Information	
(1)	Nature of Industry	Retail (Apparels and Life Style Goods)
(2)	Date or expected date of commencement of commercial production/Operation	23-07-2001



(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
(4)	Financial performance based on given indicators	(Rs. In lacs)			
		2013-2014	2014-2015	2015-2016	2016-2017
	Paid up Capital	2239.88	2357.77	2488.76	3092.26
	Reserve & Surplus	24072.18	25047.31	26264.18	34454.05
	Revenue from operation	22889.23	28676.76	31994.12	47142.17
	Other Income	220.65	251.82	252.48	198.36
	Total Revenue	23109.89	28928.59	32638.69	47340.53
	Profit before tax	(508.90)	1842.31	2023.56	4895.54
	Less: Tax Exp.	(17.21)	869.18	798.68	1170.02
	Net Profit after tax	(450.48)	975.12	1216.86	3725.52
(5)	Foreign investments or collaborations, if any	N.A.			
II. Information about the appointee					
(1)	Background details	He is associated with the Company and taking care of Merchandise Department.			
(2)	Past remuneration	Rs. 1,986,336 p.a.			
(3)	Recognition or awards	---			
(4)	Job profile and his suitability	Apparels Management			
(5)	Remuneration proposed	The detail of remuneration proposed is specified in resolution.			
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The salary proposed to be paid is in line with current industry standards based upon size and operations of company.			
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Beside the remuneration proposed, Mr. Akash Agarwal, does not have any pecuniary relationship with the Company and does not related to any managerial personnel except Mr. Ram Chandra Agarwal and Mrs. Uma Agarwal.			
III. Other information					
(1)	Reasons of loss or inadequate profits	NA			
(2)	Steps taken or proposed to be taken for improvement	Business Expansion of the Company			
(3)	Expected increase in productivity and profits in measurable terms.				
IV. Disclosures					
The report on Corporate Governance in the Annual Report indicates the remuneration to be paid to managerial personnel.					

The above remuneration as aforesaid to be allowed to the Executive director shall be subject to such limits for this remuneration as laid down by the Companies Act, 2013.

The Scope and quantum of remuneration and prerequisites specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with to the relevant provisions of the Companies Act and schedule V and / or the rules and regulations made there under and / or such guidelines as may be The Company shall pay to or reimburse the Executive Director and he shall be entitled to be paid and / or to

announced by the Central Government from time to time in future.

In absence of or inadequacy of profits in any financial year during the currency of tenure of the appointee, the aforesaid remuneration will be paid as the minimum remuneration subject to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 or such other amount as may be provided in Schedule V as may be amended from time to time or an equivalent statutory re-enactments thereof.

be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

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 of the Notice.

Except Mr. Akash Agarwal (DIN 03194632); Mr. Ram Chandra Agarwal (DIN: 00491885) and Mrs. Uma Agarwal (DIN: 00495945), no other Director or Key (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.)

The Board recommends the special resolution set forth in Item no. 6 for your approval.

Particulars	
Name and Age of Director	Mr. Akash Aggarwal, 25years
DIN	03194632
Qualification	Bachelor of Business Administration (BBA) from Lancaster University (United Kingdom)
Expertise in specific functional areas	He has a vast experience in Retail Industry
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	Terms: - 5 years w.e.f 29th September, 2017 to 28th September 2022
Last Drawn Remuneration	Rs. 1,986,336 p.a.
Date of first appointment on the Board	-
Directorship held in other other companies	Rishikesh Commosales Private Limited Topline Vintrade Private Limited V2 Conglomerate Limited
No. of Board Meeting attended during the year 2016-2017	N.A.
Membership/Chairmanship of the Committees across the Companies	-
No. of equity shares held	2488750
Relationship with other Directors	Mr. Akash Aggarwal is related to Mr. Ramchandra Aggarwal, Managing Director and Mrs. Uma Agarwal, Whole Time Director of the Company
Brief Profile	Mr. Akash Agarwal is Bachelor of Business Administration (BBA) from Lancaster University (United Kingdom) and he has more the 5 year experience in Retail Industry.

#### Item No. 7 to the Notice

In view of the contributions made by Sh. Ram Chandra Agarwal and his extensive knowledge of Company's operations

and rich experience and expertise in managing the affairs of the Company, the Board of Directors of the Company, on the recommendation by the Nomination and Remuneration Committee, in its meeting held on November 22, 2016 has approved the re-appointment

and remuneration of Mr. Ram Chandra Agarwal as Chairman and Managing Director of the Company, the period of whose office shall not be liable determination by retirement by rotation, for a period of 5 years commencing from November 22, 2016 to November 21, 2021 in terms of the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and the Rules framed thereunder, subject to the approval of shareholders of the company.

Mr. Ram Chandra Agarwal satisfies all the conditions set out in Part I of Schedule V of the Act and conditions as set out under sub-section (3) of Section 196 of the Companies Act, 2013.

General Disclosure as per schedule V of the companies Act 2013:

I. General Information					
(1)	Nature of Industry	Retail (Apparels and Life Style Goods)			
(2)	Date or expected date of commencement of commercial production/Operation	23-07-2001			
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
(4)	Financial performance based on given indicators	(Rs. In lacs)			
		2013-2014	2014-2015	2015-2016	2016-2017
	Paid up Capital	2239.88	2357.77	2488.76	3092.26
	Reserve & Surplus	24072.18	25047.31	26264.18	34454.05
	Revenue from operation	22889.23	28676.76	31994.12	47142.17
	Other Income	220.65	251.82	252.48	198.36
	Total Revenue	23109.89	28928.59	32638.69	47340.53
	Profit before tax	(508.90)	1842.31	2023.56	4895.54
	Less: Tax Exp.	(17.21)	869.18	798.68	1170.02
	Net Profit after tax	(450.48)	975.12	1216.86	3725.52
(5)	Foreign investments or collaborations, if any	N.A.			
II. Information about the appointee					
(1)	Background details	He is associated with the Company and He is chairman and Managing director of the company			
(2)	Past remuneration	Rs. 500,000 p.m.			
(3)	Recognition or awards	---			
(4)	Job profile and his suitability	Chairman & Managing Director			
(5)	Remuneration proposed	The detail of remuneration proposed is specified in resolution.			
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The salary proposed to be paid is in line with current industry standards based upon size and operations of company.			
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Beside the remuneration proposed, Mr. Ram Chandra Agarwal, does not have any pecuniary relationship with the Company and does not related to any managerial personnel except Mr. Akash Agarwal and Mrs. Uma Agarwal.			
III. Other information					
(1)	Reasons of loss or inadequate profits	NA			
(2)	Steps taken or proposed to be taken for improvement	Business Expansion of the Company			
(3)	Expected increase in productivity and profits				

Copy of the draft letter of re-appointment to be issued to Mr. Ram Chandra Agarwal is open for inspection in physical by any member of the Company at the Registered Office of the Company during the business hours on any working day. The same may be treated as written memorandum setting out the terms and conditions of his appointment under Section 190 of the Companies Act, 2013..

The Board considers that his association would be of immense benefit to the company and it is desirable to avail services of Mr. Ram Chandra Agarwal as Chairman and Managing Director.



	in measurable terms.	
IV.	Disclosures	
The report on Corporate Governance in the Annual Report indicates the remuneration to be paid to managerial personnel.		

The above remuneration as aforesaid to be allowed to the Executive director shall be subject to such limits for this remuneration as laid down by the Companies Act, 2013.

The Scope and quantum of remuneration and prerequisites specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with to the relevant provisions of the Companies Act and schedule V and / or the rules and regulations made there under and / or such guidelines as may be announced by the Central Government from time to time in future.

In absence of or inadequacy of profits in any financial year during the currency of tenure of the appointee, the aforesaid remuneration will be paid as the minimum remuneration subject to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 or such other amount as may be provided in Schedule V

as may be amended from time to time or an equivalent statutory re-enactments thereof.

The Company shall pay to or reimburse the Executive Director and he shall be entitled to be paid and / or to be reimbursed by the Company alibosts, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

Except Mr. Akash Agarwal (DIN 03194632); Mr. Ram Chandra Agarwal (DIN: 00491885) and Mrs. Uma Agarwal (DIN: 00495945), 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. 7 of the Notice.

The Board recommends the special resolution set forth in Item no. 7 for your approval.

(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.)

Particulars	
Name and Age of Director	Mr. Ram Chandra Aggarwal, 52years
DIN	00491885
Qualification	Bachelor of Commerce
Expertise in specific functional areas	He has a vast experience in Retail Industry
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid.	Terms: - 5 years w.e.f November 22, 2016 to November 21, 2021
Last Drawn Remuneration	Rs. 500,000 p.m.
Date of first appointment on the Board	23.07.2001
Directorship held in other other companies	Unicon Marketing Pvt Ltd Ricon Commodities Pvt. Ltd. Vishal Waterworld Private Limited Sunita Fashion Private Limited VRL Retailer Business Solutions Private Limited
No. of Board Meeting attended during the year 2016-2017	11
Membership/Chairmanship of the Committees across the Companies	-

No. of equity shares held	719161 (Seven Lacs Ninety One Thousand one hundred sixty one only ) Equity Shares as on March 31, 2017
Relationship with other Directors	Mr. Ram Chandra Aggarwal is related to Mr. Akash Aggarwal, and Mrs. Uma Agarwal, Whole Time Director of the Company
Brief Profile	Mr. Ram Chandra Agarwal is Bachelor of Commerce and he has more the 27 year experience in Retail Industry.

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

Date: 21-08-2017

Place: New Delhi

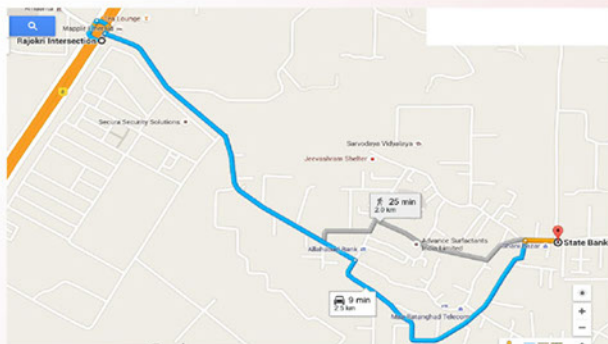
Ram Chandra Agarwal  
Chairman & Managing Director  
DIN: 00491885

## Route map to the venue of the 16<sup>th</sup> AGM

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

Landmark: SBI-ATM at Shani Bazar

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



## DIRECTORS' REPORT

To  
The Members,  
V2 Retail Limited

Your Directors are delighted to present their Report on Company's Business Operations along with the Audited Statement of Accounts for the Financial Year ended March 31, 2017.

### FINANCIAL HIGHLIGHTS

Your Company's financial performance for the year under review has been encouraging. Key aspects of Financial Performance for V2 Retail Limited for the current financial year 2016 - 17:

		(Rs. In Lakhs)	
		Year Ended	
S. No.	Particulars	31st March, 2017	31st March, 2016
PART-I		Audited	Audited
<b>Income from Operations</b>			
1	<b>a.</b> Revenue from operations	47,142.17	31,994.12
	<b>b.</b> Other Income	198.37	252.49
	<b>Total Revenue (a+b)</b>	<b>47,340.54</b>	<b>32,246.61</b>
<b>Expenses</b>			
2	<b>a</b> Purchase of traded goods	33,902.19	25,393.38
	<b>b</b> Changes in inventories of stock in trade	(573.88)	(2,955.82)
	<b>c</b> Employee benefits expense	3,333.40	2,296.61
	<b>d</b> Finance Costs	861.39	1,324.74
	<b>e</b> Depreciation and amortization expense	671.77	440.70
	<b>f</b> Other expenses	6,581.57	4,123.53
	<b>Total Expenses (a)+(b)+(c)+(d)+(e)+(f)</b>	<b>44,776.44</b>	<b>30,623.14</b>
3	<b>Profit (loss) from Operations before Exceptional Items and Tax (1-2)</b>	<b>2,564.10</b>	<b>1,623.47</b>
4	Exceptional Items	2,331.44	392.09
5	<b>Profit (loss) before tax (3+4)</b>	<b>4,895.54</b>	<b>2,015.56</b>
<b>Tax expense:</b>			
6	<b>a</b> Current tax	-	-
	<b>b</b> Deferred tax charge	1,170.02	798.68
	<b>Total</b>	<b>1,170.02</b>	<b>798.68</b>

7	<b>Net Profit (loss) for the period (5-6)</b>	<b>3,725.52</b>	<b>1,216.88</b>
8	Paid-up equity share capital (Face Value of Rs. 10/- per share)	3,092.27	2,488.76
9	Reserve excluding Revaluation Reserves	34,454.05	26,264.18
10	<b>Earnings Per Share (EPS) of Face Value of Rs. 10/- each (not annualized):</b>		
a.	Basic EPS before Extraordinary items for the period, for the year to date and for the previous year (not annualized)	5.21	3.34
a(i).	Diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not annualized)	4.98	2.40
b.	Basic EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	13.91	4.93
b(i).	Diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	13.30	3.54

#### STATE OF COMPANY'S AFFAIRS

Your Company has earned total revenue of Rs. 47,340.54 Lakhs as against Rs 32,246.61 Lakhs achieved during the previous years. The Company has made significant changes in its business strategy and result thereof are visible as seen in the business growth in the year.

Your Directors expect that there will be further improvement in overall performance in the coming years.

#### FINANCIAL PERFORMANCE REVIEW

The Indian retail industry has experienced high growth over the last decade with a noticeable shift towards organized retailing formats. During the year the Company has increased its turnover from Rs. 3,22,46,60,782 to 4,73,40,53,740 compared to previous year. The Company has significantly generated profits for its stakeholders. The overall retail market continues to grow and consumer aspiration for a better service environment still remains intact. Your Company continues to endeavor to reinstate its growth pattern in the retail industry with a chain of stores under the 'V2' brand in the Retail Industry.

#### DIVIDEND

Keeping in view of the expansion of the existing business, your Directors intend to retain internal accrual which will generate a good return for shareholders both for today and tomorrow. Thus the Board of Directors does not propose to declare any dividend for this year.

#### DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES, AND HIGHLIGHTS OF THEIR PERFORMANCE AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

The Company had no subsidiary and joint venture during the financial year 2016-17.

Further, there are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

During the previous years, the process of closure of Subsidiary Companies, which were not in operation, has been initiated and the same were applied to the Registrar of Companies to strike-off their names from its Register where VRL Infrastructure Limited is under the process of being strike-off.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company along with relevant documents are available on the website of the Company.

#### TRANSFER TO RESERVES

In view of the previous losses incurred in the Company no amount has been transferred to the Reserves of the Company.

#### SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2017 was Rs. 30.92 Crores. Further, an allotment of 60,35,065 Equity Shares amounting to Rs. 4 2 18,74,955 has been made during the year pursuant to preferential allotment to promoter and non promoter group and on conversion of warrants to M/s Bennett Coleman and Co. Ltd. being the non promoter.

## WARRANTS

10, 00,000 Convertible warrant for a value of Rs. 7,50,00,000/- (Rupees Seven Crore and Fifty Lakhs only) were issued to promoter Group being M/s. Ricon Commodities Private Limited on preferential basis and allotment of the same was made in the Board meeting held on 22<sup>nd</sup> November, 2016 and 25% upfront amount of Rs 1,87,50,000 has been received from M/s Ricon Commodities Private Limited in lieu of allotment of aforesaid warrants.

## TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

Pursuant to the provisions of Section 205C of the Companies Act, 1956 (Section 125 of the Companies Act, 2013), your Company has not transferred any amount during the year 2016-17 to the Investor Education and Protection Fund.

## EMPLOYEE STOCK OPTION SCHEME

In the Annual General Meeting held on 30<sup>th</sup> September, 2016, your Directors have approved the V2R-Employee Stock Option Scheme 2016 ('ESOP 2016') and grant of options to the eligible employees of the Company under the scheme.

Details of the V2R-Employee Stock Option Scheme 2016 are as follows:-

- (a) Options granted; The maximum number of options to be granted under V2R - Employee Stock Option Scheme 2016 ("ESOP 2016") is 1244380 (Twelve lakh forty four thousand three hundred eighty) options to be convertible into equal number of fully paid up Equity Shares of the Company of face value of Rs. 10 each.
- (b) Options vested; Nil
- (c) Options exercised; Nil
- (d) Total number of shares arising as a result of exercise of option; Nil
- (e) Options lapsed; 30,317
- (f) Exercise price; Face Value of Share or any other price not exceeding market price at the time of grant of options
- (g) Variation of terms of options; NA
- (h) Money realized by exercise of options; NA
- (i) Total number of options in force; 2, 26,261
- (j) Employee wise details of options granted:-
- (i) Key Managerial Personnel; CS (Umesh Kumar) (2810 ESOP Option)

(ii) 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

(iii) 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

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended March 31, 2017.

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

## SEGMENT REPORTING

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

## CASH FLOW ANALYSIS

The Cash Flow Statement for the year, under reference in terms of Regulation 36 of SEBI (LODR) Regulations, 2015 (Clause 32 of the Listing Agreement entered by the Company with the Stock Exchanges), is annexed with the Annual Accounts of the Company.

## SUBSIDIARY COMPANY

Pursuant to Section 129(3) of the Companies Act, 2013 and Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Financial Statements presented by the Company do not include the Financial Statements of its Subsidiaries as there is no subsidiary of Company as on 31<sup>st</sup> March 2017.



## CONSOLIDATED FINANCIAL STATEMENTS

The Company does not have any Subsidiary Companies; hence, applicable provisions of Companies Act, 2013 and the Accounting Standard AS-21 on Consolidated Financial Statements do not apply on the Company.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

### • Retirement by Rotation

The Members of the Company at the 15<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2016, had approved the re-appointment of Mrs. Uma Aggarwal, who was liable to retire by rotation.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Smt. Uma Aggarwal, Whole Time Director, is liable to retire by rotation at the ensuing Annual General Meeting, who being eligible, has offer herself for re-appointment.

The brief resume of the Directors being reappointed, the nature of their expertise in specific functional areas, names of companies in which they have held Directorships, Committee Memberships/ Chairmanships, their shareholding etc., are furnished in the explanatory statement to the notice of the ensuing AGM.

The Board recommends her re-appointment at the ensuing Annual General Meeting.

### • Appointment / Re-appointment & Cessation of Directors

During the period under review, members approved the appointment of Mr. Lalan Yadav as Independent Director of the Company for a period of five consecutive years.

During the year under review, Mr. Sourabh Kumar, Independent Director has resigned from the Board of Directors of the Company w.e.f. 17-09-2016.

Further, Mr. Rohit Singh, Independent Director has resigned from the Board of Directors the Company w.e.f. 03<sup>rd</sup> May, 2017.

The Board recommends the re-appointment of Mr. Ram Chandra Agarwal as chairman and Managing Director of the company for a period 5 years and appointment of Mr. Akash Agarwal as Whole time Director of the Company for a period 5 years and Mr. Siya Ram and Mr. Jitender as Independent Director of the Company for a consecutive period of five years at the ensuing Annual General Meeting of the Company.

## KEY MANAGERIAL PERSONNEL

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: Managing Director
2. Smt. Uma Aggarwal: Whole-time Director
3. Mr. Manshu Tandon: Chief Executive Officer\*
4. Mr. Umesh Kumar: Company Secretary & Compliance Officer
5. Mr. Varun Kumar Singh (Chief Financial Officer)\*\*
6. Mr. Vipin Kaushik : Chief Financial Officer\*\*

\*Mr. Manshu Tandon: Chief Executive Officer of the Company has resigned as Chief Executive Officer w.e.f.31-12-2016.

\*\* Mr. Varun Kumar Singh: Chief Financial Officer of the Company has resigned as Chief Financial Officer of the Company w.e.f. 23-05-2017 and Mr. Vipin Kaushik has been appointed as Chief Financial Officer of the Company w.e.f. 30-05-2017.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Pursuant to the requirement under Section 134(3) (e) and Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Policy of the Company which includes criteria for Appointment and Re-Appointment of Director, the Remuneration payable to Managing and Whole Time Director, the Remuneration payable to Non-Executive Directors and the evaluation of Directors is attached as 'Annexure 1' which forms part of this report.

## NUMBER OF MEETINGS OF THE BOARD

The Board duly met at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice along with Agenda and notes on agenda of each Board Meeting was given in writing to each Director.

During the Financial Year 2016-17, 11 (Eleven) number of Board meetings were held. The interval between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and Regulation 17(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

For details thereof kindly refer to the Corporate Governance Report of this Annual Report.

## AUDIT COMMITTEE

As on 31st March, 2017, the Audit Committee comprises of four directors with majority of Independent Directors namely Mr. Rohit Singh



Rautela (Chairman), Mr. Lalan Yadav, Mr. Ram Chandra Agarwal and Mr. Ravinder Kumar Sharma as other members.

All the recommendations made by the Audit Committee were accepted by the Board.

Further, the Roles and Responsibility and other related matters of Audit Committee forms an integral part of Corporate Governance Report as part of Annual Report.

#### **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.

#### **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

As the ultimate responsibility for sound governance and prudent management of a Company lies with its Board, it is imperative that the Board remains continually energized, proactive and effective. An important way to achieve this is through an objective stock taking by the Board of its own performance.

The Companies Act, 2013 notified on April 1, 2014, not only mandates Board's and Directors' evaluation, but also requires the evaluation to be formal, regular and transparent. Subsequently, SEBI has brought into force Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to bring the requirements on this subject in line with the Act.

The Independent Directors had met separately without the presence of Non-Independent Directors and discussed, inter-alia, the performance of non-Independent Directors and the Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance.

The performance evaluation criteria of the Board include growth in business volumes and profitability, compared to earlier periods, growth over the previous years through and fairness in Board's decision making processes. The performance evaluation criteria of individual Directors and Committees include awareness to responsibilities, duties as director, attendance record and intensity of participation at meetings,

quality of interventions, special contributions and inter-personal relationships with other Directors and management. The Board evaluated the performance of Independent Directors based on their attendance record, contributions, their interventions and inter-personal relationships.

The performance evaluation of Committees and Board as a whole was done on the basis of questionnaire which was circulated among the board members and committee members and on receiving the inputs from them, their performance was assessed by the Board.

Lastly, performance evaluation of individual Directors was done on the basis of self-evaluation forms which were circulated among the Directors and on receiving the duly filled forms, their performance was assessed.

The Directors expressed their satisfaction with the evaluation process. It was further acknowledged that every individual Member and Committee of the Board contribute its best in the overall growth of the organisation.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. That in the preparation of the Annual Accounts for the year ended March 31, 2017, the applicable Accounting Standards have been followed and there are no material departures;
2. That appropriate Accounting Policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs as at March 31, 2017 and of the profit of the Company for the Financial year ended March 31, 2017;
3. That proper and sufficient care has been taken 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; and
4. That the annual accounts for the year ended March 31, 2017 has been prepared on a going concern basis.

- That they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DECLARATION BY INDEPENDENT DIRECTOR(S)**

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

#### **OPERATIONS, PERFORMANCE AND FUTURE OUTLOOK OF THE COMPANY**

A detailed review of operations, performance and future outlook of the Company is given separately under the head "Management Discussion & Analysis" pursuant to Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed and forms part of this Annual Report as annexure 6.

#### **ENERGY CONSERVATION, RESEARCH AND DEVELOPMENT TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of activities in the nature of Energy Conservation, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as 'Annexure 2' which forms part of this report.

#### **PARTICULARS OF REMUNERATION OF DIRECTORS AND KMP'S**

The details of top employees in terms of Remuneration Drawn as per provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Disclosure pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure - 3 to this Report.

Further, in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there is no

employee in the Company, which draws the remuneration in excess of the limits set out in the said rules.

#### **EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, an Extract of the Annual Return in Form MGT-9 is attached as 'Annexure 4' which forms part of this Report.

#### **AUDITOR AND AUDITOR'S REPORT**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s AKGVG & Associates, Chartered Accountants, the Auditor of the Company shall hold office till the conclusion of the ensuing (16<sup>th</sup> AGM) Annual General Meeting. Your Board places on record its deep appreciation for the valuable contributions of the Auditor during their association and wishes them success in the future.

Based on the recommended of the Audit Committee, the Board has appointed in Board of Directors meeting dated August 21, 2017 M/s. Walker Chandio & Co LLP, Chartered Accountants, Delhi (Firm Registration No. 001076N/N500013), as the Statutory Auditor of the Company, in place of retiring auditor M/s. AKGVG & Associates, Chartered Accountants, Delhi (Firm Registration No. 018598N), to hold office for a term of five consecutive years, from the conclusion of the ensuing 16th Annual General Meeting till the conclusion of 21st Annual General Meeting of the Company to be held in the Calendar year 2022, subject to a yearly ratification by the members of the Company at every Annual General Meeting, on such remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Board of Directors and the Auditor, and recommended to the shareholders of the Company for their approval.

Pursuant to Section 139 and 141 of the Companies Act, 2013 and Rules framed there under, the Company has received a certificate from the auditor confirming their eligibility to be appointed as Auditor of the Company. They have also confirmed that they have held a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the provisions of Regulation 33 of the Listing Regulation.

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

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

- The Capital Reserve amounting to Rs.60, 523.24 Lakhs, is Rs. 42,942.24 Lakhs arising out of transfer of asset and liabilities to the acquiring companies in earlier years for which necessary reconciliation/ information

to the tune of Rs 372.24 Lakhs is not available with the Company. Accordingly in the absence of the same, we are unable to comment on the appropriateness of capital reserve including consequential impact, if any, arising out of the same on these financial statements.

**Management Response** The Company restructured its business in F.Y 2010-11, resulting a Capital Reserve of Rs. 60,523 Lakhs. The amount of Capital Reserve has been reconciled except Rs. 372.24 Lakhs for which the Company is in process to reconcile and there is no impact on Profit & Loss account.

- As stated in these quarterly results, the Company has recognized Rs. 24,273.18/- Lakhs as deferred tax assets at the quarter-end for which it does not have virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized in accordance with principles of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Had the company not recognized deferred tax, impact on profit and loss account would have been decrease in profit during the quarter by Rs.24,273.18/- Lakhs and decrease in accumulated balances of Reserves and Surplus by Rs. 24,273.18/- Lakhs.

**Management Response:** During previous financial yearsthe Company has started to earn profits and it has earned profits after tax of Rs. 3,725.52 Lakhs during F.Y. 2016-17Rs and Rs 1,216.86 Lakhs during F.Y. 2015 16 and Rs. 975.13Lakhs during F.Y. 2014-15 resulting in reversal of Deferred Tax Assets by a sum of Rs 1157Lakhs during FY 16-17, Rs. 798.68Lakhs during F.Y. 2015 16 and Rs. 869.18 Lakhs during F.Y. 2014-15. The rest amount will be reversed in due course of business.

- The Company has disclosed contingent liabilities on account of appeals with various statutory authorities at different levels amounting to Rs. 4,556.99/- Lakhs, of which necessary information is not available with the Company to reliably ascertain estimated amount of such liabilities and consequential impact thereof on these quarterly financial results in accordance with Accounting Standard-29, "Provisions, Contingent Liabilities and contingent assets" issued by the Institute of Chartered Accountants of India. Hence, we are unable to comment on the same

**Management Response** The Contingent Liabilities of Rs.4,556.99 /- Lakhs are under appeal with different authorities at different levels. The chances of these obligations are very remote even recently the Company has been awarded the Order in its favour by Hon'ble CIT (Appeal), Kolkata dropping the Income Tax Demand of Rs. 11,880.71Lakhs. During the quarter and year ended March 31, 2017 some of the matters have been adjudged in favour of the company, resulting a reduction of Rs 232.84 Lakhs in contingent Liabilities. Impact of contingent liabilities on Profit & Loss account cannot be ascertained till the matter is pending with different government authorities.

## SECRETARIAL AUDITORS

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 to undertake the Secretarial Audit of the Company for the FY 2016-17.

The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as 'Annexure 5' which forms part of this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## CORPORATE GOVERNANCE

V2 Retail Limited is 'Your Company' because it belongs to you – the stakeholders. The Chairman and Directors are 'Your' fiduciaries and trustees. Their objective is to take the business forward in such a way that it maximizes 'Your' long-term value.

The new Companies Act, 2013 and SEBI (LODR) Regulations, 2015 have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the new law and had proactively adopted many provisions of the new law, ahead of time. Your Company is committed to embrace the new law in letter and spirit. In line with the requirements of new law, your Company has constituted new Board Committees. Your Company has in place all the statutory Committees required under the law. Details of Board Committees along with their terms of reference, composition and meetings of the Board and Board Committees held during the year, are provided in the Corporate Governance Report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)



As on 31<sup>st</sup> March 2017, the Corporate Social Responsibility Committee comprises of majority Independent Directors namely Mr. Rohit Singh Rautela (Chairman), Mr. Ravinder Kumar Sharma, Mr. Lalan Yadav and Mr. Ram Chandra Agarwal\* (Managing Director) as other members.

\* Mr. Ram Chandra Agarwal, Managing Director (DIN 00491885) appointed as member of Corporate Social Responsibility Committee w.e.f. 31-07-2017

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.

The CSR Policy may be accessed on the Company's website at the link: [http://v2retail.com/wp-content/uploads/2016/12/CSR\\_POLICY.pdf](http://v2retail.com/wp-content/uploads/2016/12/CSR_POLICY.pdf)

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 shall be made as **Annexure - 7**

#### **INTERNAL FINANCIAL CONTROL SYSTEM**

According to Section 134(5) (e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to 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.

The Company has a well placed, proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. Your Company has appointed M/s. Sharma G & Associates (FRN No. 027579N), Chartered Accountant, as the Internal Auditor of the Company to conduct the Internal Audit Functions for Financial Year 2016-17. The Internal Auditor independently evaluates the adequacy of internal controls and concurrently audit the majority of the transactions in value terms.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 requires the information

regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report.

Your Company's Internal Control Systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information.

An external independent firm carries out the internal audit of the Company operations and reports its findings to the Audit Committee on a regular basis. Internal Audit also evaluates the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness through periodic reporting. During the year, no reportable material weaknesses in the design or operation were observed. Your company has adequate internal financial control with reference to its financial statements.

The Audit Committee also reviews the risk management framework periodically and ensures it is updated and relevant.

#### **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**

The Board of the Company has formed a risk management policy to frame, implement and monitor the risk management plan for the Company. The Board is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Further, there are no risks, which, in the opinion of the Board, threaten the very existence of your Company.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

#### **PERSONNEL**

During the year under review, no employees, whether employed for the whole or part of the year, was drawing remuneration exceeding the limits as laid down u/s Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Hence the details required under Section 197(12) are not required to be given.

## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" the Company has in place a formal framework for prevention of sexual harassment of its women employees.

During the year, no allegations of sexual harassment were filed with the Company.

## DEPOSITORY SYSTEMS

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2017, 2,69,49,066 Equity Shares stand with the NSDL Account and 38,14,892 Equity Shares with the CDSL and 1,58,726 Equity Shares stands in physical form.

Your Company has established connectivity with both depositories – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, member 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 across physical and electronic alternative.

## CHANGE IN CAPITAL STRUCTURE AND 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

Further, there was change in the capital structure in the Company as an allotment of 60, 35,065 Equity Shares amounting to Rs. 42,18,74,955 have been made during the year.

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

During the financial year ended March 31, 2017 the Company has neither made any investments nor given any loans or guarantees or provided any security.

## CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013

The Company has formulated a policy on dealing with Related Party Transactions. The policy is disclosed on the website of the Company.

Weblink:

[http://www.v2retail.com/admins/pic/2015\\_05\\_18\\_10\\_38\\_52\\_Related%20Party%20Transaction%20Policy.pdf](http://www.v2retail.com/admins/pic/2015_05_18_10_38_52_Related%20Party%20Transaction%20Policy.pdf)

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations. Accordingly the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 read with rules made there under, in Form AOC-2 is not applicable.

Details of Related Party Transactions have been disclosed in notes to the financial statements.

## DISCLOSURE ON VIGIL MECHANISM (Whistle Blower Policy)

Your Company has established a mechanism called 'Vigil Mechanism (Whistle Blower Policy)' for Directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the Directors and employees to report their concerns directly to the Chairman of the Audit Committee of the Company.

The Vigil Mechanism, as approved by the Board, is uploaded on the Company's website at the web link: [http://www.v2retail.com/admins/pic/2015\\_05\\_18\\_10\\_39\\_12\\_WHISTLE%20BLOWER%20POLICY.pdf](http://www.v2retail.com/admins/pic/2015_05_18_10_39_12_WHISTLE%20BLOWER%20POLICY.pdf)

## DISCLOSURE ON DEPOSIT UNDER CHAPTER V

The Company has neither accepted nor renewed any deposits during the Financial Year 2016-17 in terms of Chapter V of the Companies Act, 2013.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE**

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

#### **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

#### **ACKNOWLEDGEMENTS**

Your Directors would like to express their appreciation for assistance and co-operation received from the Bankers, Vendors, Government Authorities, Customers and Member during the year under review. Your Directors also wish to place on record their deep sense of appreciation for committed services by the executive staffs & employees of the Company and gratitude to the members for their continued support and confidence.

#### **GENERAL**

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

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

**On behalf of the Board of Directors  
V2 Retail Limited**

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

**Date : 21-08-2017  
Place : New Delhi**



## Annexure-1

### NOMINATION AND REMUNERATION POLICY

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 a 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 AGM dated 30<sup>th</sup> September, 2016.

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.

**On behalf of the Board of Directors  
of V2 Retail Limited**

**Date: 21.08.2017** **Ram Chandra Agarwal**  
(Chairman and Managing Director)  
**Place: Delhi** **DIN:-00491885**

## Annexure-2

**Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, and forming part of the Directors' Report.**

#### **(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 equipments: Nil

#### **(B) Technology absorption-**

- (i) Efforts made towards technology absorption:  
The Company is implementing the updated softwares 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

#### 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 2016-2017.

Particulars	2016-17	2015-16
Foreign Exchange Outgo		
Traveling	81464	599,965
Consultancy	Nil	Nil
Others	Nil	Nil
Imports		
Raw Materials	Nil	Nil
Finished Goods	Nil	Nil
Capital Goods	Nil	Nil
Others		
Foreign Exchange Earnings		
Earnings in foreign exchange	Nil	Nil

On behalf of the Board of Directors of  
V2 Retail Limited

Ram Chandra Agarwal

Date 21-08-2017

Place : New Delhi

(Chairman and Managing Director)  
DIN: 00491885

**DETAILS OF TOP EMPLOYEES IN TERMS OF REMUNERATION DRAWN AS PER PROVISIONS OF SECTION 197(12) OF THE ACT READ WITH RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

S.No	Name of the Employee	Designation of the Employee	Remuneration Received (Amount in Rs.)	Nature of employment whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The last employment held by such employee before joining the Company City Life	The percentage of equity shares held by the employee within the meaning of clause (iii) of sub-rule (2) of rule 2 of Companies (Appointment and Remuneration) Rules, 2014	Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager
1.	ABHISHEK KHEMKA	GENERAL MANAGER	3000000	Permanent		11-07-2016	-	-	-
2.	PRATIK ADUKIA	CATEGORY HEAD	2753784	Permanent		09-05-2011	-	-	Ram Chandra Agarwal & Uma Agarwal
3.	AKASH AGARWAL	BUYING & MERCHANDISING	1986336	Permanent		23-07-2012	-	24,88,750	Ram Chandra Agarwal & Uma Agarwal
4.	SUNIL KUMAR	MANAGER	1440000	Permanent		01-10-2011	-	-	-
5.	PRANAV DILIP MEHENDARGE	MANAGER	1246152	Permanent		16-01-2017	-	-	-
6.	ANSHUL CHHABRA	SR.MANAGER	1200000	Permanent		20-03-2017	-	-	-
7.	SHAKTI PRASAD MOHANTY	HEAD-RETAIL OPERATION	1047024	Permanent		30-01-2012	-	-	-
8.	ARIJIT GHOSH	MERCHANDISER	1161696	Permanent		01-10-2011	-	-	-
9.	PARDEEP JAJORIA	SR.MANAGER	1107696	Permanent		15-12-2016	-	-	-
10.	MOHAMMED PARVEZ	AREA MANAGER	1015380	Permanent		25-11-2016	-	-	-

**DETAILS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

## PARTICULARS OF REMUNERATION

- a) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;

S. No.	Nature of Directorships held & Name of Directors	Ratio of Median Remuneration
1	<b>Executive Directors</b>	
a)	Mr. Ram Chandra Agarwal	1.70%
b)	Smt. Uma Agarwal	1.70%
2	<b>Non-Executive Directors</b>	
a)	Mr. Sourabh Kumar	Nil
b)	Mr. Rohit Singh Rautela	Nil
c)	Mr. Ravinder Kumar Sharma	Nil
d)	Mr. Lalan Yadav	Nil

- b) the percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary, if any, in the financial year;

S.No.	Name of Person	% Increase in remuneration
1	Mr. Ram Chandra Agarwal	150%
2	Smt. Uma Agarwal	150%
3.	Mr. Sourabh Kumar	Nil
4.	Mr. Rohit Singh Rautela	Nil
5.	Mr. Ravinder Kumar Sharma	Nil
6.	Mr. Lalan Yadav	Nil
7.	Mr. Manshu Tandon, CEO	13.83%
8.	Mr. Varun Kumar Singh, CFO	2.8%
9.	Mr. Umesh Kumar, Company Secretary & Compliance Officer	15%

- c) the percentage increase in the median remuneration of employees in the financial year:- 10%
- d) the number of permanent employees on the rolls of Company: 1796
- e) 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 the managerial remuneration 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 2016-17 was 10%. Percentage increase in the KMP, other than Directors, managerial remuneration for the year was 10.54%.

- f) 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 endeavors 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.

On behalf of the Board of Directors of  
V2 Retail Limited

Ram Chandra Agarwal

(Chairman and Managing Director)

Date 21-08-2017

Place : New Delhi

DIN:-00491885

**Form MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the Financial Year ended 31.03.2016**

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

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

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

The Company does not have any subsidiaries during the financial year 2016-17. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

During the earlier years, the process of closure of following wholly-owned subsidiaries, which were not in operation, was initiated, by applying for striking off their names, to the Registrar of Companies. VRL Infrastructure Limited is under the process of being strike-off from its Register.

Sl. No.	Name and Description of Main products/services	NIC Code of the Product/service	% of total turnover of the company
<b>NIL</b>			

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**1) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
Individuals/HUF	3706911	0	3706911	14.89	3706911	0	3706911	11.99	-2.9
Central Govt/ State Govt.	0	0	0	0	0	0	0	0	-
Bodies Corporate	11592710	0	11592710	46.58	12592710	0	12592710	40.72	-5.86
Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>15299621</b>	<b>0</b>	<b>15299621</b>	<b>61.47</b>	<b>16299621</b>	<b>0</b>	<b>16299621</b>	<b>52.71</b>	<b>-8.76</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>15299621</b>	<b>0</b>	<b>15299621</b>	<b>61.47</b>	<b>16299621</b>	<b>0</b>	<b>16299621</b>	<b>52.71</b>	<b>-8.76</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b) Financial Institutions / Banks	26244	0	26244	0.11	29360	0	29360	0.09	-0.02
c) Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
e) Insurance Companies	0	0	0	0	0	0	0	0	0
f) Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
h) Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
i) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
j) Any Other (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>26244</b>	<b>0</b>	<b>26244</b>	<b>0.11</b>	<b>29360</b>	<b>0</b>	<b>29360</b>	<b>0.09</b>	<b>-0.02</b>
<b>B2 NON-INSTITUTIONS</b>									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Bodies Corporate	1323621	0	1323621	5.32	4635423	0	4635423	14.99	9.67



i) Individual shareholders holding nominal share capital upto Rs. 1 lakh /Upto Rs. 2 lakhs	5805472	8726	5814198	23.35	4466880	8726	4475606	14.47	-8.88
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh/ Rs. 2 lakhs	1478918	150000	1628918	6.55	4674642	150000	4824642	15.60	9.05
Foreign Nationals	0	0	0	0	0	0	0	0	0
NRI	399472	0	399472	1.61	240350	0	240350	0.77	-0.84
Clearing House/Clearing Member	235667	0	235667	0.95	244273	0	244273	0.78	-0.17
Limited Liability Partnership/HUF	159878	0	159878	0.64	173409	0	173409	0.56	-0.08
Trust	0	0	0	0	0	0	0	0	-
Any other									
<b>Sub-total (B)(2):-</b>	<b>9403028</b>	<b>158726</b>	<b>9561754</b>	<b>38.41</b>	<b>14434977</b>	<b>158726</b>	<b>14593703</b>	<b>47.19</b>	<b>8.78</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>9429272</b>	<b>158726</b>	<b>9587998</b>	<b>38.53</b>	<b>14464337</b>	<b>158726</b>	<b>14623063</b>	<b>47.29</b>	<b>8.76</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>24728893</b>	<b>158726</b>	<b>24887619</b>	<b>100</b>	<b>30763958</b>	<b>158726</b>	<b>30922684</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			%change in Share - holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
<b>Individuals/HUF (A)</b>								
1.	Akash Agarwal	2488750	10.00	0	2488750	8.0483	0	-1.96
2.	Ram Chandra Agarwal	719161	2.89	718694	719161	2.3257	718694	-0.57
3.	Ram Chandra Agarwal (HUF)	155000	0.62	0	155000	0.5013	0	-0.12
4.	Uma Agarwal	344000	1.38	315000	344000	1.1125	315000	-0.27
<b>Bodies Corporates (B)</b>								
1.	Unicon Marketing Private Limited	5444710	21.88	5444500	5444710	17.6075	5444500	-4.2725
2.	Ricon Commodities Private Limited	4940000	19.85	4939500	5940000	19.2092	4939500	-0.6408
3.	Sunita Fashion Pvt. Ltd.	248000	1	0	248000	0.8020	0	-0.198
4.	Vishal Waterworld Pvt. Ltd.	960000	3.86	959500	960000	3.1045	959500	-0.7555
<b>Total (A+B)</b>		<b>15299621</b>	<b>61.474</b>	<b>12377194</b>	<b>16299621</b>	<b>52.710</b>	<b>12377194</b>	<b>-8.7639</b>

**(iii) Change in Promoters' Shareholding**

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1					
	At the beginning of the year	15299621	61.47		
	Allotment as on 22-11-2016			1000000	3.23
	At the End of the year			16299621	52.71

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

S. No	Shareholder's Name	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	BENNETT, COLEMAN AND COMPANY LIMITED	0	0	2035065	100	2035065	6.5811
2	PRAMOD CHAND MAHNOT	0	0.0000	1000000	100	1000000	3.2339
3	VIVEK LODHA	0	0.0000	1000000	100	1000000	3.2339
4	NARESH KUMAR BHARGAVA	0	0.0000	1000000	100	1000000	3.2339
5	TECK CONSULTANCY AND SERVICES PVT LTD	0	0	300000	100	300000	0.9702
6	SUBHKAM PROPERTIES LLP	0	0	240000	100	240000	0.7761
7	RAKESH S KATHOTIA	0	0	240000	100	240000	0.7761
8	EDELWEISS BROKING LIMITED	28331	0.0916	185186	86.73	213517	0.6905
9	JALSAGAR COMMODEAL PRIVATE LIMITED	0	0	190000	100	190000	0.6144
10	GOKUL VANIJYA PRIVATE LIMITED	100000	0.3234	25000	20	125000	0.4042

The above details are given as on March 31, 2017. The Company is listed and 99.49% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders are due to market operations. Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year.

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Shareholder's Name	Shareholding at the beginning of the year	Change in Shareholding during the year	Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	Date of Change and No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>Directors</b>							
1.	Rohit Singh Rautela	0	0	0	0	0	0
2.	Ravinder Kumar Sharma	0	0	0	0	0	0
3.	Sourabh Kumar	0	0	0	0	0	0
4.	Lalan Yadav	0	0	0	0	0	0
5.	Uma Agarwal	344000	1.38	0	1.11	344000	0
6.	Ram Chandra Agarwal	719161	2.89	0	2.32	719161	0
<b>Key Managerial Personnel</b>							
7.	Manshu Tandon	0	0	0	0	0	0
8.	Varun Kumar Singh	0	0	0	0	0	0
9.	Umesh Kumar	0	0	0	0	0	0

## V. INDEBTEDNESS

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

(Amount in Rs. Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid	i) 19,48,00,000	i) 43,09,76,324		i) 62,57,76,324
iii) Interest accrued but not due	ii) 34,94,11,170	ii) 88,82,607		ii) 35,82,93,777
<b>Total (i+ii+iii)</b>	54,42,11,170	43,98,58,931		98,40,70,101
Change in Indebtedness during the financial year				
i) Addition				
ii) Reduction	i) 54,42,11,170	i) 35,22,26,271		i) 89,64,37,441
<b>Net Change</b>	(54,42,11,170)	(35,22,26,271)		(89,64,37,441)
Indebtedness at the end of the financial year				
i) Principal Amount		i) 87,63,26,660		
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	0	8,76,32,660		8,76,32,660

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No	Particulars of Remuneration	Name of Managing Directors and Whole-time Directors		Total Amount (In Rs.)
		Mr. Ram Chandra Agarwal	Mrs. Uma Agarwal	
1	Gross salary	42,00,000	42,00,000	42,00,000
	(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	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission -as % of profit -Other, specify	NIL	NIL	NIL
5	Other, please specify	NIL	NIL	NIL
	<b>Total (A)</b>	42,00,000	42,00,000	42,00,000
	Ceiling as per the Act			A Public Company can pay remuneration to its Directors including Managing Directors and Whole-time Directors, and its managers which shall not exceed 11% of the net profit as calculated in a manner laid down in section 198 of the Companies Act, 2013

**B. Remuneration to other directors:**

S. No	Particulars of Remuneration	Name of Directors				Total Amount
		Rohit Singh Rautela	Ravinder Kumar Sharma	Lalan Yadav	Sourabh Kumar*	
1.	Independent Directors • Sitting Fee for attending board • committee meetings • Commission • Others, please specify	8,000 (Inclusive of all)	8,000 (Inclusive of all)	8,000 (Inclusive of all)	8,000 (Inclusive of all)	
	Total (1)	8,000	8,000	8000	8,000	
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify			None		
	Total (2)			N.A.		
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors				

\* The Above Remuneration is excluding Service Tax.

\* Sourabh Kumar (Independent Director) resigned from board on 17-09-2016.

**C. Remuneration to Key Managerial Personnel Other than Managing Director and Whole-time Directors**
**(In Rs.)**

S. No	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Manshu Tandon, CEO	Mr. Varun Kumar Singh, CFO	Mr. Umesh Kumar, Company Secretary	
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	17,94,391.00	10,21,020.00	6,06,791.00	34,22,202
2.	ESOP Stock option	-	-	5,42,049.00	-
3.	Sweat Equity	-	-	-	-
4.	Commission -as % of profit, -Other, specify	-	-	-	-
5.	Other, please specify	-	-	-	-
	Total (A)	17,94,391.00	10,21,020.00	11,48,840.00	39,64,251.00



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

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

On behalf of the Board of Directors of  
V2 Retail Limited

Date 21-08-2017

Place : New Delhi

Ram Chandra Agarwal  
(Chairman and Managing Director)  
DIN:-00491885

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED March 31, 2017**  
**[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**  
 CIN: L74999DL2001PLC147724  
 Address: Khasra No. 928, Extended,  
 Lal Dora Abadi, Village Kapashera,  
 Tehsil Vasant Vihar,  
 New Delhi - 110037

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 **01<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 ("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 **31<sup>st</sup> March, 2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under along with the provisions of the Companies Act, 1956 to the extent as applicable;
- (ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")
  - a. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. SEBI (Prohibition of Insider Trading) Regulations, 1992 and Rules there under;
  - c. SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009;

- d. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on 02<sup>nd</sup> September, 2015
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - (Not Applicable)
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable)
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable)
- j. The Employees' Provident Funds And Miscellaneous Provisions Act, 1952
- k. The Employees State Insurance Act, 1948

Other laws applicable to the Company are complied by the Company as per information provided by the company.

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

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

**We report that:**

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the

secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

- e) 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. Sourabh Kumar, (DIN 05113240) Independent Director was resigned from board due to personal reason on 17-09-2016 and Mr. Lalan Yadav (DIN: 07578390) was appointed as Independent Director of the company by the members of the company during the AGM dated 30-09-2016.

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

before the meeting for meaningful participation at the meeting.

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

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

- (i) Public/Rights/Preferential issue of debentures/sweat equity except, the Company has made Preferential Allotment of 40, 00,000 equity shares @ Rs. 75/- each to Promoter and Non Promoter Group on 22-11-2016 and Company has allotted 10, 00,000 Convertible Warrant @ Rs 75/- each to Ricon Commodities Pvt. Ltd. (Promoter Group) on 22.11.2016. Further Company has made Allotment of 20, 35,065 equity shares @ Rs. 79.85/- each to M/s Bennett Coleman & Co Ltd/- (BCCL) Non Promoter on 07-01-2017 pursuant to Conversion of Warrant by M/s Bennett Coleman & Co Ltd.
- (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: 21.07.2017  
Place: New Delhi

## Management Discussion and Analysis Report

**INDUSTRY STRUCTURE AND DEVELOPMENT**

Retailing in India is one of the pillars of its economy and accounts for 14 to 15 percent of its GDP. It is the fastest growing retail market in the world. India's retailing is essentially the owner of small shop which account for more than 90%.

The present study finds that the Indian retail sector is evolving rapidly. The size of India's retail industry is expected to more than double to \$1.3 trillion by 2020. Further organised retail penetration in India's total retail is on increase. Recent policy changes and greater external liberalisation of retail sector will bring many more foreign retailers to India. It is expected that FDI will accelerate the growth of organized retail. India's huge population with large proportion of young, increasingly brand and fashion-conscious population, high potential growth in consumer expenditure, growing middle class are some of the factors due to which the macro trends for the sector looks favorable. Organized retail, whose share in total retail was 8% in 2012, is expected to assume 24% share of total retail market in India in 2020. Among organized retail segments, Mass Grocery and Apparel are segments growing faster than other segments. In next few years, multi-brand organized retail is expected to expand in specialty stores such as Consumer Electronics, Footwear, Furniture and Furnishing etc. But the requirement of 30% procurement from Indian small industries may prove to be a major bottleneck for FDI in many of these segments. The global heads of retail chains keeping a mum on India in recently held World Retail Congress in Paris supports this view-point. While Mexico and the Philippines were being touted as the next big markets for commencing retail ventures, India's policies regarding sourcing and investments have put a question mark on prospective investments. Analyst say that if Walmart indeed pulls out of India, it may not have any impact on consumers as only eight per cent of the total retail is organized, but, confidence on India as a potential investment destination could be greatly marred. However, previously Government of India has liberalised some FDI norms w.e.f. 22 August, 2013 to boost investors sentiments.

India is the 5th most favorable destination for international retailers. Of the total Indian retail market, 8% constitutes the organized retail segment which is estimated to grow at a rate of almost 30% by 2020, and hence at a much faster pace than the overall retail market which is forecast to grow by 16% in the same period. Clothing & Apparel make up almost a third of the organized retail segment, followed by

Food & Grocery and Consumer Electronics. India currently has a small penetration within the organized retail segment as compared to other emerging markets such as China, which has a penetration of more than 20% within organized retail according to the Global Retail Index report by the World Retail Conference.

**India has one of the largest numbers of retail outlets in the world.** The sector is witnessing exponential growth, with retail development taking place not only in major cities and metros, but also in Tier-II and Tier-III cities. Indian market has high complexities in terms of a wide geographic spread and distinct consumer preferences varying by each region necessitating a need for localization even within the geographic zones. India has highest number of outlets per person (7 per thousand) Indian retail space per capita at 2 sq ft (0.19 m<sup>2</sup>) person is lowest in the world. Indian retail density of 6 percent is highest in the world.[38] 1.8 million households in India have an annual income of over 4.5 million.

The said growth can be attributed to the growing Indian economy, increase in Private Final consumption Expenditure (PECE) and the change in consumption pattern of the Indian masses. The Changing Consumption pattern, in turn, primarily remains driven by higher standard of living, growing middle-class population, greater proportion of working women, increase in penetration levels of organized retail etc.

In the Retail Industry Food is the largest segment in terms of its contribution to the total value of the retail market, followed by fashion and fashion accessories. The share of organised retail in the total Indian retail trade pie is projected to grow at 40 per cent per annum.

The foreign direct investment (FDI) inflows in single-brand retail trading during April, 2000 to December, 2012 stood at US\$ 95.36 million, as per the data released by Department of Industrial Policy and Promotion (DIPP). The overall Indian retail sector is expected to grow 9 per cent in 2012-17, with organized retail growing at 24 per cent or three times the pace of traditional retail (which is expected to expand at 8 per cent).

The opportunities in food and grocery retail are immense, given that it constitutes about 69 per cent of the country's total retail market, according to panel members at the seventh Food and Grocery Forum India

## KEY GROWTH DRIVERS OF RETAIL INDUSTRY

The growth factors of the retail sector of Indian economy:

- India's growing population and urbanization offers a huge market for organized Retail.
- Increasing economic prosperity and change in consumption pattern drives retail pattern.
- Increase in per capita income which in turn increases the household consumption.
- Demographical changes and improvements in the standard of living.
- Collective effort of financial houses and banks with retailers are providing strength to consumers to go for durable products with easy credit.
- Regulatory enablers aiding growths.

## OPPORTUNITIES & THREATS

The new FDI policy implies greater autonomy in functioning for foreign single-brand retail players who can now own 100% of their Indian stores, up from the previous cap of 51% with only the stipulation that they will have to source 30% of their goods from small and medium-sized Indian suppliers. The new policy allows a maximum 51% ownership for the multi brand retail sector subject to the certain conditions.

The Indian economic sector, including retail, has weathered an uneven ride. Changes in Government policies and markets have caused investors in this market to draw caution and adopt wait-and-watch policies. Rising inflation, even when disposable income has risen, has left a dampening mark on retail sales and consumption. Brands have decided to ensure an effective presence strategy while speculation markets have dropped. Big malls that were assured of complete occupancy just a few years back have to resort to price-leading strategies to woo in tenants and consumers.

The Company's strategy is to increase the number of departmental stores, and increase its market share in existing Tier II and Tier III cities through additional new stores in those cities.

However the Economic slow-down may affect the direct consumption which may affect the Retail Industry.

## STRENGTHS

In the present context, the Company shall focus and develop the following as its strengths leading to an accelerated sustainable organizational development:

- Improvement in Information Technology and supply chain.
- To retain the existing customers and to promote the brand name of V2 Retail Limited.

- Placing right people at the right job being talented professionals, especially at the middle-management level.
- Employing standard security features such as CCTVs, POS systems and anti-shoplifting systems for greater control over fraud and theft to curb employee pilferage, shoplifting, vendor frauds and inaccuracy in supervision and administration.
- Strong focuses on system & processes.
- Strong distribution and logistics network supply chain. Strong bargaining strength.
- Strategic planning is must in order to keep aside the cut-throat competition in context of various corporate restructuring, market segmentation, creativity and innovation with regard to new launch of product and services.

## PRODUCT WISE PERFORMANCE

The Company is in the business of retailing of products such as apparels and lifestyle goods. The sale of the apparels has been increased significantly over the year and sale of lifestyle goods also increased during the year. Consequently, the Company is planning to explore and add some more line of products.

## Future Outlook and Strategies

- Productively employing staff at all location
- Branding of V2
- Effective Visual Communication
- Strong Supply Chain
- Expansion and Diversification prospects for the business of the Company.
- Increased focus on Shop in Shop Format i.e. excess space renting arrangements.
- Focus on core competencies of the Company i.e. retailing.
- Revision of Sales Promotion, Pricing, Branding and Advertising strategies of the Company

## Risks and Concerns

We believe the key risk to our growth is execution risk. The process of re-establishment will continue and the timely achievement of which will be critical. Risk Management at V2 Retail is an enterprise wide function, which develop frameworks and methodologies for assessing and mitigating risk. Enterprise Risk Management (ERM) is a leveraged function that works in close co-ordination with business teams, legal, finance, human resources, quality, internal audit and other functional teams having great skills to control, reduce, transfer, mitigate and risk that comes on its way to progress.

## Increase in Competition to Impact Margins

With the entry of big players in retail industry due to the permissible 100% FDI in single brand retailing and 51% in multi brand retailing, the competition will



become intense. Increase in competition is expected to alter the dynamics of business and further sustaining/ acquiring space and manpower resources.

The Company is able to compete with market situations and maintain its margins for future growth.

#### Higher rentals

The market is still on a high rental level, leaving very little margin for the retailers to make sustenance and strive hard to maintain the existing reputation as well as consumer base in the market. The balancing/ correction of rentals to the right proportion as per industry standards abroad has yet to take place in India.

#### Internal Control Systems and Their Adequacy

The Company has a dynamic, adequate effective and efficient system of internal check as well as internal control. This ensures that all assets are safeguarded and protected against loss from unauthorized use or disposal, and the transactions are authorized, recorded and reported as per Company's norms including Statutory Guideline.

The Company monitors and strengthens the Internal Control system of its stores through separate department. The Company also appoints consultants, advisors, professionals and experts from time to time in order to bring specialization in area of its operation.

These internal control procedures ensure the following:

1. Efficient use and protection of resources.
2. Compliances with policies procedures and statues.
3. Accuracy and promptness of financial reports.
4. Detection of frauds and misconduct on the part of employees of the Company.

#### HUMAN RESOURCE MANAGEMENT

We firmly believe that employee's training, motivation, development, and engagement are key aspects of good human resources management. We provide several forums and communication channels for our employees to not only share their points of view and feedback related to our business, but also share feedback on self- development and career advancement. These forums have helped us identify and implement a number of structural changes during the year. These included compensation revision across the organization, streamlining of compensation structure, quarterly cycles of promotion and progression, and rotation of onsite assignments. Providing opportunities for employees to interact with senior management through innovative interventions such as "Just-a-Minute" Session (JAM) with the Management, town hall events across campuses and priority mailers notifying employees about every

organizational change and development are a few of the measures taken to boost communication with employees. Rewarding and recognizing consistent superior performance is essential to build a stronger V2 RETAIL. This year, we introduced the concept of "Employee of the Month" program, which is designed exclusively to identify high performers and provide them challenging opportunities to grow faster within the organization.

#### COMPANY PERFORMANCE REVIEW

Your Company has reported a Net Profit after tax of Rs. 37, 25,52,495.00 before adjustment of the prior period expenses during the financial year ended March 31, 2017.

The turnover from operations of the Company during the financial year ended March 31, 2017 is Rs. 4714 Mn as compared to Rs.3199 Mn during the previous year ended March 31, 2016. The turnover of the Company is increased by 47.35 % in comparison to the previous year on account of opening of various stores at multiple locations across nation.

#### Cost of Goods sold

The total cost of goods sold increased in terms of value by 48.55% from Rs. 2243.76 Mn in FY'16 to Rs. 3332.83 Mn in FY'17. There is increase in terms of percentage of cost of goods sold by 0.57% from 70.13% to 70.70%. The increase in value is only attributed to the increase in turnover of the Company.

#### Administrative, Selling, Distribution & Other Expenses

Administrative, Selling, Distribution & Other Expenses increased to Rs. 658 Mn in FY'17 from the existing Rs. 412 Mn in FY'16

#### Personnel Expenses

The personnel expenses increase from Rs. 229.66 Mn in FY'16 to Rs. 333.33 Mn in FY'17. The increase in personnel expenses is mainly on account of opening of stores which led to increase in number of personnel employed there.

#### Depreciation

The Company provided for depreciation of Rs. 67.17 Mn during FY' 17 compared to 44.07 Mn during FY' 16. For the year under consideration, cumulative depreciation was 22.85 % of gross block, from 24.54% in the previous year.

#### Finance Cost

Interest expense decreased by 53.80 % to Rs 86.13 Mn during FY' 17 compared to Rs. 132.47 Mn during FY' 16. The decrease in finance cost is on account of repayment of the loan amount.



## Provision for Taxation

Due to earlier losses, the Company has not made any provisions for taxation.

### EPS

The year recorded a positive EPS of Rs. 13.91 compared to previous year EPS of Rs. 4.93. The Diluted Earnings per Share (DPS) is Rs 13.30 in FY'17 compared to Rs 3.54 in FY'16.

## Balance Sheet Position

### Share Capital

Your Company has an Authorised Share Capital of Rs. 458 MN comprising 30.9 MN Equity Shares of Rs 10 each as paid up capital and an Authorised Preference Share Capital of Rs 58.4 Mn divided into 4,00,000 preference shares of Rs 146 each.

### Reserves & Surpluses

The Reserves and Surplus as on March 31, 2017 is Rs. 3445 Mn as compared to Rs. 2626 Mn as on March 31, 2016.

### Profit and Loss Account

Your Company earned a Profit of Rs. 372 Mn during the financial year ended March 31, 2017. Resultantly the balance in P&L as on March 31, 2017 was Rs. - 4774.59 Mn compared to Rs - 5147.15 Mn as on March 31, 2016.

### Debt

The total amount of the Short term debt has been decreased to Rs. 8.7 Mn from the previous year Rs. 431.31 Mn.

### Deferred Tax

Deferred tax assets/liabilities represent impact of timing differences in the financial and tax books. Your Company earned a net Profit of Rs. 372 Mn. The deferred tax asset as on March 31, 2017 was Rs.

2427 Mn as compared to Rs. 2544 Mn as on March 31, 2016.

## Investments

The Investment of the Company has been reduced by Rs. 95 Mn from the previous investment of Rs. 253 Mn. Reduction is due to depreciation on Non-Current Investment. The gross investment at the end of year stands at Rs. 158 Mn.

## Cash & Bank Balances

As on March 31, 2017, your Company was having a cash balance of Rs. 64 Mn compared to Rs. 31 Mn as on March 31, 2016.

## Inventories

As on March 31, 2017, your Company was having inventory of Rs. 1146 Mn compared to Rs. 1088 Mn as on March 31, 2016.

## Non Current Loans and Advances

Non Current Loans and Advances as on March 31, 2017 was Rs. 212.83 Mn compared to Rs. 111.21 Mn as on March 31, 2016. The increase is due to Security Deposit given to Lessor for the new stores.

## Current Liabilities & Provisions

As on March 31, 2017, your Company was having Current liabilities including provision of Rs. 780.84 Mn compared to Rs. 1434 Mn during FY'16.

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.

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

Date : 21-08-2017  
Place : New Delhi

## ANNEXURE – 7:

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17.

1. 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.

The CSR policy may be accessed on the Company's website link: [http://v2retail.com/wp-content/uploads/2016/12/CSR\\_POLICY.pdf](http://v2retail.com/wp-content/uploads/2016/12/CSR_POLICY.pdf)

The Company's CSR policy is multifaceted to cover projects and programs in the field of education, healthcare, Indian traditional culture, tourism, employment and environmental sustainability by adopting best ecological practices, enhancing employment.

### The Composition of the CSR Committee

As on 31st March 2017, the Corporate Social Responsibility Committee comprises of majority Independent Directors namely Mr. Rohit Singh Rautela (Chairman), Mr. Ravinder Kumar Sharma, Mr. Lalan Yadav and Mr. Ram Chandra Agarwal\* (Managing Director) as members.

\*Mr. Ram Chandra Agarwal, Managing Director, (DIN 00491885) appointed as member of Corporate Social Responsibility Committee w.e.f. 31-07-2017

2. Average net profit of the Company for last three financial years – 100,010,245
3. Prescribed CSR expenditure ( 2% of the amount as in item 3 above) – 2,000,205
4. Details of CSR spent during the financial year
  - A) Total amount to be spent for the financial year:- 2,000,205
  - B) Amount unspent, if any :- 2,000,205
  - 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 responsibility statement of the CSR Committee of the Board of Directors of the Company is reproduced below: '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 of Directors of  
V2 Retail Limited

Ram Chandra Agarwal  
(Chairman and Managing Director)  
DIN:-0049188

Date 21.08.2017  
Place New Delhi

## CORPORATE GOVERNANCE REPORT

In accordance with Regulation 17-27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at V2 Retail Limited is in compliance with laws and high standard of business ethics for effective control and management system in an organization.

The Board and Management of the Company believes that Corporate Governance is the commitment for compliance with all Laws, Rules and Regulations that apply to it with the spirit and intent of high business ethics, honesty and integrity. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth and shareholder's value.

The essence of Corporate Governance lies in promoting and maintaining transparency and accountability in the higher echelons of management. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. Good governance practices stem from the culture and the mindset of the organisation and at V2 Retail we are committed to meet the aspirations of all our stakeholders. Your company's essential charter is shaped by the objectives of transparency, professionalism and accountability.

The Company believes that the essence of the Corporate Governance lies in the phrase "Your Company". It is "Your" company because it belongs to you- 'the Shareholders.' The Chairpersons and Directors are "Your" fiduciaries and trustees. Their Objective is to take the business forward in such a way that it maximizes "Your" long term value. Besides adhering to the prescribed Corporate Governance practices as per Regulation 17-27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it voluntarily governs itself as per highest standard of ethical and responsible conduct of business in line with the local and global standards. Strong governance practices at V2 Retail Limited have earned recognition for it and have strengthened its bond of trust not only with the stakeholders but with the society at large.

Various policies at V2 Retail seek to focus on enhancement of long term shareholder value keeping

in mind Ethical Standards and Corporate Social Responsibilities. These practices are embedded in our principle of Corporate Governance, which provides for accountability, independence, transparency and fair disclosure.

The Spirit of V2 Retail represents the core values inherent in our organization which is framed around these Corporate Governance principles and practices. These are mentioned below:

### **Intensity to Win**

1. Make customers successful
2. Team, innovate and excel

### **Act with Sensitivity**

1. Respect for the individual
2. Thoughtful and responsible

### **Unyielding Integrity**

1. Delivering on commitments
2. Honesty and fairness in action

A Certificate from M/s. AKGVG & Associates, Chartered Accountants, Statutory Auditor of the Company regarding compliance of the conditions of the Corporate Governance, as stipulated in Regulation 17-27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, is attached in the Corporate Governance Report and form part of this report.

Certificate of the Managing Director, inter-alia confirming the correctness of the financial statement, compliance with Company's Code of Conduct, adequacy of the Internal Control measures and reporting of matters to the Audit Committee in terms of Regulation 17-27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, is attached in the Corporate Governance Report and forms part of this Annual Report.

### **CODE OF CONDUCT**

The Board of Directors of the Company acknowledges and accepts the extent of their duties as Directors. They have a responsibility to carry out their duties in an honest and business like manner and within the scope of their authority, as set forth in the laws of India as well as in the Memorandum and Articles of

Association of the Company. They are entrusted with and are responsible for the oversight of the assets and business affairs of V2 Retail Limited in an honest, fair, diligent and ethical manner. As Directors, they must act within the bounds of the authority conferred upon them and with the duty to make and enact informed decisions and policies in the best interests of the Company. The Board of Directors has adopted the following Code of Conduct and a separate declaration to this effect is annexed to the Corporate Governance Report.

#### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the

widest sense and meet its stakeholders' aspirations and societal expectations.

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 essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the higher echelons of management. The demands of corporate governance require professionals to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

#### BOARD OF DIRECTORS

As on March 31, 2017, the Board comprised of 5 directors, 2 of them being Executive, 3 being Non Executive Independent Director. The Composition of Board of Directors on March 31, 2017 is as follows:

Category	DIN	Name of the Director
Executive Promoter Director	: 00491885 00495945	Mr. Ram Chandra Agarwal Mrs. Uma Agarwal
Independent Director	: 07578390	Mr. Lalan Yadav
Independent Director	: 05118387	*Mr. Rohit Singh Rautela
Independent Director	: 06865804	Mr. Ravinder Kumar Sharma

Mr. Rohit Singh Rautela has resigned from the directorship of the Company on 03<sup>rd</sup> May, 2017

During the year under review i.e. 2016-2017:-

- The Board was reconstituted with the appointment of following Director on the Board:

Category	Date of appointment	DIN/PAN	Name of the Director/KMP
Independent Director	30/09/2016 (Appointment)	07578390	Mr. Lalan Yadav

- Further, the following Director has resigned from the Board of Directors of the Company:

Category	Date of Resignation	DIN/PAN	Name of the Director/KMP
Independent Director	17/09/2016 (Resignation)	05113240	Mr. Sourabh Kumar

## BRIEF PROFILE OF THE DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY AS ON 31<sup>ST</sup> MARCH, 2017

Brief profile of all the Directors, nature of their expertise in specific functional areas:

**Mr. Ram Chandra Agarwal**, Chairman & Managing Director (DIN No 00491885), is a Director of the Company since 23.07.2001. He is a Commerce Graduate, He holds more than twenty seven years of experience in Retail Industry.

**Mrs. Uma Agarwal**, Whole time Director (DIN No. 00495945), is a Director of the Company since 23.07.2001. She Bachelor in Arts, She holds more than Fifteen Years of Experience in Retail Industry.

**Mr. Lalan Yadav** is a Non-Executive Director (DIN No 07350695) of the Company since 30.09.2016. He is an Associate Member of the Institute of Company Secretaries of India and holds more than Four Years of Experience in Finance, Legal, Due Diligence and Secretarial Compliance function area.

**Mr. Rohit Singh Rautela** is a Non-Executive Director (DIN No 05118387) of the Company since 14.04.2014. He is a Commerce Graduate and a Member of The Institute of Company Secretaries of India. He holds more than six years of experience in the field of Finance and Corporate Law.

**Mr. Ravinder Kumar Sharma** is a Non-Executive Director (DIN No 06865804) of the Company since 14.04.2014. He is a Commerce Graduate and holds more than three years of experience in the field of Corporate Law.

**Mr. Umesh Kumar** is the Company Secretary & Compliance Officer of the Company since 28.03.2016. He is a Member of The Institute of Company Secretaries of India and a Commerce Graduate. He is also a Member of Chartered Institute of Security and Investment (London United Kingdom) and He is National Stock Exchange Certified Market Professional Level 1, Level 2 & Level 3. He is Certified Personal Financial Planner. He had qualified various Certification in financial Market from National Stock Exchange and National Institute of Security Market and he holds and has more than six years of experience in the field of Financial Market, Legal, Finance, Secretarial and Corporate Laws.

**Mr. Varun Singh** is Chief Financial Officer of the Company. He is a Member of The Institute of Chartered Accountants of India and has more than seven years' experience in Finance and Accounts.

## INFORMATION SUPPLIED TO THE BOARD

Board Members are given agenda along with necessary documents and information in advance of each meeting of the Board and Committee(s). In addition to the regular business items, the items as required under listing agreement particularly relating to the following items/information is regularly placed before the board to the extent possible:-

1. Annual operating plans, budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company.
4. Minutes of meetings of Audit Committee and other committees of the Board.
5. The 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.
6. Show cause, demand, prosecution notices and penalty notices, which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, Implementation of Voluntary Retirement Scheme etc.
13. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.



## BOARD LEVEL COMMITTEES

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. However with the objective of smooth functioning of the operation, some powers have been delegated to the standing committees, namely Audit Committee, Nomination and Remuneration Committee, CSR Committee, Stakeholders Relationship Committee.

Name of the Director	Audit	Nomination and Remuneration	CSR Committee	Stakeholder Relationship
Mr. Ram Chandra Agarwal	Member	NA	NA	NA
Mr. Varun Kumar Singh*	CFO	CFO	NA	NA
Mr. Sourabh** Kumar				
Mr. Lalan Yadav	Member	Chairman	Member	Member
Mr. Rohit Singh Rautela***	Chairman	Member	Chairman	Chairman
Mr. Ravinder Kumar Sharma	Member	Member	Member	Member
Mrs. Uma Agarwal	NA	NA	NA	Member
Mr. Umesh Kumar	Compliance Officer	Compliance Officer	Compliance Officer	Compliance Officer

The details of the members of the committees as on March 31, 2017 are as under:

\*Mr. Varun Kumar Singh has resigned from the post of CFO of the company w.e.f 23.05.2017.

\*\* Mr. Sourabh Kumar resigned from the board w.e.f 17-09-2016 due to his personal reason.

\*\*\* Mr. Rohit Singh Rautela has resigned from the board w.e.f 03<sup>rd</sup> May, 2017.

All decisions pertaining to the constitution of the Committees, appointment of members of the Committee and fixing of terms of service for committee members are taken by the Board of Directors. Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance, are provided below:

### ATTENDANCE AT BOARD MEETINGS

During the Financial Year 2016-17, 11(Eleven) Board Meetings were held till 31st March 2017, as per following details:-

Sl. No.	Date of Board Meeting	Sl. No.	Date of Board Meeting
1.	20.04.2016	8	11.11.2016
2.	27.05.2016	9	22.11.2016
3.	30.06.2016	10	07.01.2017
4.	12.08.2016	11	25.01.2017
5.	31.08.2016		
6.	02.09.2016		
7.	14.10.2016		



Composition of Board of Directors and their Attendance in the Board Meetings for FY 2016-17 and last Annual General Meeting which is held on 30.09.2016 are as under;

Name of Director	Designation of Director	Board Meeting Held	Board Meeting Attended	Last AGM attended
Mr. Ram Chandra Agarwal	Managing Director & Executive Promoter	11	11	Yes
Mrs. Uma Agarwal	Whole Time Director & Executive Promoter	11	11	Yes
Mr. Sourabh Kumar*	Independent Director	11	6**	-
Mr. Lalan Yadav**	Independent Director	11	5*	Yes
Mr. Rohit Singh Rautela***	Independent Director	11	11	Yes
Mr. Ravinder Kumar Sharma	Independent Director	11	11	Yes

- \* Mr. Sourabh Kumar has resigned from the board of the company w.e.f. 17-09-2016 and he has attended all the earlier Board and Committees Meetings before his resignation during FY 16-17.
- \*\* Mr. Lalan Yadav appointed by members of the company as Independent Director of the company w.e.f. 30-09-2016 and thereafter he has attended all the Board and Committees Meetings.
- \*\*\* Mr. Rohit Singh Rautela has resigned from the board w.e.f. 03<sup>rd</sup> May, 2017 and he has attended all the earlier Board and Committees Meetings during FY 16-17

The Board and Committee Membership of the Directors in other Companies as on March 31, 2017 is as follows:

Name of Director	No. of Directorships	No. of Committee Membership	No. of Committee Chairmanship
Mr. Ram Chandra Agarwal	5	Nil	Nil
Mrs. Uma Agarwal	7	Nil	Nil
Mr. Sourabh Kumar*	0	Nil	Nil
Mr. Lalan Yadav	0	Nil	Nil
Mr. Rohit Singh Rautela*	0	Nil	Nil
Mr. Ravinder Kumar Sharma	1	Nil	Nil

\* Mr. Sourabh Kumar and Mr. Rohit Singh Rautela have resigned from the Board of the Company w.e.f. 17-09-2016 and 03-5-2017.

# Only the Membership of Audit Committee and Investor Grievances Committee of other Public Companies are considered.

Except Mrs. Uma Agarwal who is spouse of Mr. Ram Chandra Agarwal, no other directors in the Company are related. Further, non-executive directors do not have any shareholding in the Company.

#### INDEPENDENT DIRECTORS

The Non Executive Independent Directors of our Company fulfill the conditions of Independence as specified in Section 149(6) of Companies Act, 2013 and rules made there under and meet with the requirements of SEBI (Listing

A formal letter of appointment was issued to the Independent Directors of the Company in the manner as provided under Companies Act, 2013 and disclosed on the website of the Company i.e. www.v2retail.com.

Further, the details regarding programs for familiarization of Independent Directors with the company, their roles and responsibilities in the Company, business model of the Company and other related matters are put on the website of the Company at the link i.e. www.v2retail.com.

#### AUDIT COMMITTEE

The Audit Committee is regularly reviewing the Internal Audit Reports for the auditing carried out in all the key areas of the operations. Additionally the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors. Internal Audit Reports are regularly circulated for perusal of Senior Management for appropriate action as required.

Normal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance.

The Constitution of the Audit Committee as on March 31, 2017 was as follows:

Name of the Director	Designation	Chairman/Member/ Other
Mr. Rohit Singh Rautela	Non Executive Independent Director	Chairman
Mr. Lalan Yadav*	Non Executive Independent Director	Member
Mr. Ram Chandra Agarwal	Executive Director	Member
Mr. Ravinder Kumar Sharma	Non Executive Independent Director	Member
Mr. Varun Kumar Singh	Chief Financial Officer	Chief Financial Officer
Mr. Umesh Kumar	Company Secretary & Compliance Officer	Company Secretary & Compliance Officer

\* Mr. Lalan Yadav joined as Non Executive Independent Director of the company w.e.f. 30<sup>th</sup> September 2016

#### Audit Committee Meetings & Presence:

The details of Audit Committee meetings & presence of Members till March 31, 2017 are as follows:

Date of Audit Committee Meetings	Name of the Audit Committee Members						
	Mr. Sourabh Kumar	Mr. Ram Chandra Agarwal	Mr. Ravinder Kumar Sharma	Mr. Rohit Singh Rautela	Mr. Varun Kumar Singh	Mr. Umesh Kumar	Mr. Lalan Yadav
20 <sup>th</sup> April, 2016	Present	Present	Present	Present	Present	Present	Nil
27 <sup>th</sup> May, 2016	Present	Present	Present	Present	Present	Present	Nil
12 <sup>th</sup> August 2016	Present	Present	Present	Present	Present	Present	Nil
31 <sup>st</sup> August 2016	Present	Present	Present	Present	Present	Present	Nil
11 <sup>th</sup> November 2016	-	Present	Present	Present	Present	-	Present
25 <sup>th</sup> January 2017	-	Present	Present	Present	Present	Present	Present

The functions and powers of the Audit Committee comprises of the same powers and functions as are elaborated in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which are as follows:-

## Terms of Reference:

### POWER OF AUDIT COMMITTEE

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### ROLE OF AUDIT COMMITTEE

The role of Audit Committee includes the review of the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditor for any other services rendered by them;
4. Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required being 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
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditor of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. 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;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

#### Nomination and Remuneration Committee

The primary purpose of this committee would be to ensure that directors and executives are fairly rewarded for their individual contribution to company's performance without any personal interest and also keeping other stakeholders' as well as company's

financial and commercial health intact. Committee shall also serve as party to monitor and strengthen the objectivity and credibility of directors and executives' remuneration system and also making recommendation to the board on remuneration package and policies applicable to directors.

The Nomination and Remuneration Committee of the Board is constituted to formulate and recommend to the Board from time to time, a compensation structure for the Whole-time Directors.

The details of Members of the Nomination and Remuneration Committee as on March 31, 2017 are as follows:-

Name	Designation	Chairman/ Member/Other
Mr. Lalan Yadav	Non Executive Independent Director	Chairman *
Mr. Rohit Singh Rautela	Non Executive Independent Director	Member
Mr. Ravinder Kumar Sharma	Non Executive Independent Director	Member
Mr. Varun Kumar Singh	Chief Financial Officer	Chief Financial Officer
Mr. Umesh Kumar	Company Secretary & Compliance Officer	Company Secretary & Compliance Officer

\* Mr. Lalan Yadav appointed as Chairman of Nomination and Remuneration Committee w.e.f. 14-10-2016. Mr. Sourabh Kumar resigned from board w.e.f. 17-09-2016 and he was Chairman of Nomination and Remuneration Committee till 17-09-2016.

The functioning and terms of reference of the Committee are as prescribed under Section 78 of the Companies Act, 2013 and as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable with the Stock Exchanges.

The scope of the activities of Nomination and Remuneration Committee includes the following:

- › Determination of Company's policy on specific remuneration package for Executive and Non-Executive Directors including pension rights and compensation payment.
- › Orchestrate the performance targets and deliverables of the positions for which the Remuneration Committee is authorized to set remuneration and correlate with the delivered performance.
- › Monitor and review the compensation (including salaries and salary adjustments,

incentives/benefits bonuses, stock options, deferred compensations) periodically.

- › Review and approve proposed terminal payments for those who directly report to the Managing Director / Chief Executive Officer.
- › Review and recommend to the Board any changes in remuneration policy required, if any.
- › Formulation of the criteria for determining qualifications, positive attributes and independence of a Director
- › Formulation of criteria for evaluation of Independent Directors and the Board.
- › Devising a policy on Board diversity.
- › Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- › Extension or continuation of the term of appointment of the Independent Director, on the basis of their report of performance evaluation.

## Nomination and Remuneration Committee (Meetings and Presence)

The details of Nomination and Remuneration Committee meetings and presence of Members till March 31, 2017 are as follows:

Date of Nomination and Remuneration Committee Meetings	Name of the Nomination and Remuneration Committee Members/Others					
	Mr. Sourabh Kumar	Mr. Ravinder Kumar Sharma	Mr. Rohit Singh Rautela	Mr. Lalan Yadav	Mr. Umesh Kumar	Mr. Varun Kumar Singh
30 <sup>th</sup> June, 2016	Present	Present	Present	-	Present	Present
31 <sup>st</sup> August, 2016	Present	Present	Present	-	Present	Present
22 <sup>nd</sup> November, 2016	-	Present	Present	Present	Present	Present
7 <sup>th</sup> January 2017	-	Present	Present	Present	Present	Present

## PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include attendance record, contributions, their interventions and inter- personal relationships, participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with Stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

Details of remuneration paid to Directors during the financial year 2016-17 are given below:

Remuneration of the Executive Directors has been paid as per the approval of the members in General Meeting.

Name of the Director	Salary	Perquisites and allowances	Retirement benefits	Bonuses	Performance Linked Incentive	Total	Stock Options granted
Mr. Ram Chandra Agarwal	42,00,000	-	-	-	-	42,00,000	Nil
Mrs. Uma Agarwal	42,00,000	-	-	-	-	42,00,000	-

The remuneration of Executive Directors is fixed with no performance linked incentives.

The Non-Executive Independent Directors of the Company do not hold any shares of the Company

Further, No salary is being paid to the Non-Executive Directors of the Company except sitting fees.

Tenure of Independent Directors is for 5 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.

There was no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the company.

Further, Board has proposed the appointment and remuneration of Mr. Akash Agarwal as Whole Time director of the Company, details of which are given below:-

The tenure of the office of the proposed Whole Time Director is for 5 years i.e. from 29th September, 2017 to 28th September, 2022 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.

Name of the Whole time Director	Salary	Perquisites and allowances	Retirement benefits	Bonuses	Performance Linked Incentive	Total	Stock Options granted
Mr. Akash Agarwal	Rs. 3,600,000 p.a.	-	-	-	-	Rs. 3,600,000 p.a.	Nil



The remuneration of Executive Director will be fixed with no performance linked incentives.

Further, Board has also proposed the re- appointment and remuneration of Mr. Ram Chandra Agarwal as Chairman & Managing director of the Company, details of which are given below:-

The tenure of the office of the proposed Managing Director is for 5 years i.e. from November 22, 2016 to November 21, 2021 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.

Name of the Managing Director	Salary	Perquisites and allowances	Retirement benefits	Bonuses	Performance Linked Incentive	Total	Stock Options granted
Mr. Ram Chandra Agarwal	Rs. 6,000,000 p.a.	-	-	-	-	Rs. 6,000,000 p.a.	Nil

The remuneration of Executive Director will be fixed with no performance linked incentives.

#### Stakeholders Relationship Committee

The Committee inter alia looks into Redressal of shareholders'/investors' complaints related to, non-receipt of Balance Sheet, non-receipt of declared dividends, non-receipt of refund order, transfer and consolidation of shares etc. The Company oversees the performance of the Registrar and Share Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

The details of Members of the Shareholders'/Investors' Grievance Committee as on March 31, 2017 are as follows:-

Name	Designation	Chairman/ Member
Mr. Lalan Yadav	Non Executive Independent Director	Member
Mr. Rohit Singh Rautela	Non Executive Independent Director	Chairman
Mrs. Uma Agarwal	Executive Director	Member
Mr. Ravinder Kumar Sharma	Non Executive Independent Director	Member
Mr. Umesh Kumar	Company Secretary & Compliance Officer	Company Secretary & Compliance Officer

The details of Shareholders'/Investors' Grievance Committee meetings & presence of Members till March 31, 2017 are as follows:

Date of Stakeholder Relationship Committee Meetings	Name of the Stakeholder Relationship Committee Members/Others				
	Mr. Saurabh Kumar	Mr. Ravinder Kumar Sharma	Mr. Rohit Singh Rautela	Mrs. Uma Agarwal	Mr. Lalan Yadav
30 <sup>th</sup> June, 2016	Present	Present	Present	Present	-
22 <sup>nd</sup> November 2016	-	Present	Present	Present	Present

#### Compliance Officer

Mr. Umesh Kumar, Company Secretary of the Company is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchange(s) in India. The Company Secretary acts as Secretary of all the committees as named here above.



## Investor Grievance Redressal

During the year the Company has not received any complaint from investors/shareholders as per the information provided by the Registrar and Share Transfer Agent of the company. There was no investor/shareholder grievance pending as on March 31, 2017.

	Received	Resolved	Balance
Complaints	0	0	0

Source: SCORE Login data

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee was constituted by the Board on April 14, 2014 considering requirements of the Companies Act, 2013 relating to the constitution of a Corporate Social Responsibility Committee.

The details of Members of the Corporate Social Responsibility Committee as on March 31, 2017 are as follows:-

Name	Designation	Chairman/ Member/Other
Mr. Rohit Singh Rautela	Non Executive Independent Director	Chairman
Mr. Ravinder Kumar Sharma	Non Executive Independent Director	Member
Mr. Lalan Yadav	Non Executive Independent Director	Member
Mr. Umesh Kumar	Company Secretary & Compliance Officer	Company Secretary & Compliance Officer

The details of Corporate Social Responsibility Committee meetings & presence of Members till March 31, 2017 are as follows:

Date of Stakeholder Relationship Committee Meetings	Name of the Corporate Social Responsibility Committee Members/Others			
		Mr. Ravinder Kumar Sharma	Mr. Rohit Singh Rautela	Mr. Lalan Yadav
22 <sup>nd</sup> November 2016	-	Present	Present	Present

The purpose of this committee is to formulate and monitor the CSR policy of the Company and to recommend the amount of expenditure to be incurred on the activities. The CSR Committee has adopted a policy that intends to:

- Strive for economic development that positively impacts the society at large with minimal resource footprints.
- Be responsible for the corporation's actions and encourage a positive impact through its activities on the environment, communities and stakeholders

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.

## GENERAL BODY MEETINGS:

The details of the last three Annual General Meetings are as follows:

### ANNUAL GENERAL MEETING

Financial Year	Venue	Date	Time
2015-2016	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038	30.09.2016	10.00AM
2014-2015	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038	30.09.2015	10.00AM
2013-2014	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038	29.09.2014	10.00AM

#### \*\*Special Resolution:

##### Annual General Meeting (AGM) (30.09.2016)

- Appointment of Mr. Lalan yadav as an Independent Director for 5 (five) consecutive years from the date of <sup>th</sup> Annual General Meeting.
- Power given to Board of Directors of the Company to borrow moneys from time to time, at their discretion, upto a limit of Rupees Five Hundred Crores in excess of the aggregate of the paid-up-capital of the Company and its free reserves.
- Increment in payment of remuneration to Mr. Ram Chandra Agarwal (DIN: 00491885), Managing Director of the Company @ Rs 5,00,000 per month.
- Increment in payment of remuneration to Mrs. Uma Agarwal (DIN: 00495945), Whole Time Director of the Company @ Rs 500,000 per month.
- Approval for V2R-Employee Stock Option Scheme 2016 ('ESOP 2016') and grant of options to the eligible employee of the company under the scheme.
- Approval of shareholders to offer, issue and allot, in one or more tranches specified securities on preferential basis to Promoter and/ or Promoter Group and Non Promoter and/ or Non Promoter Group.

##### Annual General Meeting (AGM) (30.09.2015)

- Ratification of allotment of convertible warrant to M/s. Bennett Coleman and Company Limited on preferential basis.
- Fixation of payment of remuneration to Mr. Ram Chandra Agarwal (DIN: 00491885) as Managing Director of the Company.

- Fixation of payment of remuneration to Mrs. Uma Agarwal (DIN: 00495945) as whole time director of the Company.

##### Annual General Meeting (AGM) (29.09.2014)

Adoption of new set of regulations of Article of Association of the Company

- \*\* Special Resolution was passed through E-Voting & physical voting i.e. by ballot form at Annual General Meeting.

##### Postal Ballot

During the last financial year ended 31st March, 2016, the Company has not passed any resolution through Postal Ballot.

Details of Special Resolution proposed to be conducted through Postal Ballot:

Special Resolutions proposed to be conducted through Postal Ballot are:-

To amend Memorandum of Association of the Company to align it with the Companies Act, 2013; and

To alter the Object Clause of Memorandum of Association of the Company.

##### Procedure for Postal Ballot

In compliance with section 108 and 110 and other applicable provisions of the Companies Act, 2013 read with related Rules, the Company provides electronic – voting (e-voting) facility to all its members. The Company engages the services of

CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

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

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

The scrutinizer submits his report to the Chairman, after the completion of the scrutiny and the consolidated results of the voting by postal ballot will be announced by the Chairman/any other authorized person. The Results are communicated to the stock exchanges.

## DISCLOSURES

### Disclosure of Related Party Transactions

A Disclosure of all related party transactions has been made in the notes to accounts of the Balance Sheet presented in this Annual Report.

There are no material individual transactions with related parties of business and which are not on an arm length basis.

There are no materially significant transactions made by the Company with its Promoters, Directors or Management or relatives etc. that may have potential conflict with the interest of the Company at large.

**Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.**

There has been no non compliance by the Company nor were any penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any other

statutory authority on any matter related to capital markets during the last three years.

**Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.**

Company has a Whistle Blower Policy for Directors & employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

**Details of compliance with mandatory requirements and adoption of the non mandatory requirements**

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.

**Web link where policy for determining 'material' subsidiaries is disclosed;**

There is no subsidiary of the Company, so no policy for determining material subsidiary is required to be disclosed on the website of the Company.

**Web link where policy on dealing with Related Party Transactions: - [www.v2retail.com](http://www.v2retail.com)**

**Disclosure of commodity price risks and commodity hedging activities**

Not Applicable

**Company has complied with the Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Company try to adopt the discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**General**

1. Profile and other information regarding the Directors being appointed/re-appointed as required under Regulations 36(3) of SEBI (Listing Obligations Disclosure Requirement) Regulations, 2015 have been given in the

Notice of the Annual General Meeting annexed to this Annual Report.

- The Company follows a formal management policy and system of legal compliance and reporting to facilitate periodical review by the Board of compliance status of laws applicable to the company and steps taken to rectify non-compliance, if any.
- The Company's senior management has confirmed to the Board of Directors that they do not have any personal interest related to its material, financial and commercial transactions that may have a potential conflict with the interests of the Company at large.

#### Disclosure of Accounting Treatment in preparation of Financial Statements

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements except to the qualification made by the Auditor.

#### Code for Prevention of Insider Trading Practices

In line with the SEBI regulation on prevention of insider trading, the compliance with respect to the Insider Trading Code of Conduct is being made by the Directors, Compliance Officer and other Specified Employees on regular basis.

Date : 31-03-2017  
Place : New Delhi

#### Compliances by the Company

To the best of information and knowledge of management, the Company is complying with the provisions, rules and regulations of various laws applicable except as otherwise qualified in Annual Report. There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the stock exchange or SEBI or any other authorities, on any matter related to capital market during the preceding four years.

#### CEO / CFO Certification

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

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

Code of Conduct for the Directors and the Senior Management of the Company

The Company has a Code of Conduct in place for Management Cadre Staff (including Executive Directors). In terms of Schedule V of SEBI (Listing Obligation Disclosure Requirements) Regulation 2015 and contemporary as well as prevailing practices of good corporate governance, the Board has adopted the Code of Conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code. A certificate pursuant to Schedule V of SEBI (Listing Obligation Disclosure Requirements) Regulation 2015 is mentioned below.

To,  
Members of V2 Retail Limited

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

I, Ram Chandra Agarwal, Chairman & Managing Director of V2 Retail Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2017.

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

(A) I/We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 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

- (3) been disclosed in the notes to the financial statements; and  
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.

Chief  
Financial  
Officer

**Date** : 31-03-2017  
**Place** : New Delhi



## Risk Management

We have established an effective risk assessment and minimization procedures, which are reviewed by the board periodically. There is a structure to identify and mitigate various risks faced by the Company from time to time.

## Means of Communication

The Results of the Company are furnished to the Stock Exchanges on a periodic basis (Quarterly, half yearly and annually) i.e. 30<sup>th</sup> June, 2016; 30<sup>th</sup> September, 2016; 31<sup>st</sup> December, 2016 and 31<sup>st</sup> March 2017, after the approval of Board of Directors.

The Notice and Result are generally published in The Mint/Financial Express / Business Standard/Jansatta/Naya India within 48 Hours after approval of Board of Directors.

**Website:** The Company's new website is www.v2retail.com. It contains a separate dedicated section 'Investor Relations' where shareholders information is available. The Shareholding Pattern, Quarterly results as well as the Annual Report of the Company is also available on the website in a user friendly manner and downloadable form. Further, shareholders can register their Email Ids with the Company so that requisite information, as per the requirements of the Companies Act, can be sent to them, swiftly.

As a matter of policy, the Company displays the official news release at its website, whenever applicable.

### Presentations made to institutional investors or to the analysts:-

Company has made investor presentation and intimation of institutional investors or investor / analysts meeting has been made to NSE and BSE.

**Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Financial Statements, Director's Report, Auditor's Report and other information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report

## INFORMATION TO SHAREHOLDERS

### DATE, TIME AND VENUE OF THE 16TH ANNUAL GENERAL MEETING

Sixteen Annual General Meeting of the V2 RETAIL LIMITED will be held on Friday, 29<sup>th</sup> September, 2017 at Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi - 110 038 AT 10.00 A.M.

### Financial Year: 1<sup>st</sup> April – 31<sup>st</sup> March

The Financial year of the Company shall commence from April 1, 2016 and ends on March 31, 2017.

For the Financial year ended on March 31, 2017 the results were announced on:-

First Quarter ended : June 30, 2016	12.08.2016
Second Quarter ended : September 30, 2016	11.11.2016
Third Quarter ended : December 31, 2016	25.01.2017
Fourth Quarter ended : March 31, 2017	30.05.2017

\* The Company has announced Audited Result on May 30, 2017. The same has been published in Financial Express and Jansatta India on June 1, 2017.

For the Financial year ending on March 31, 2017 the Audited Results will be announced as per the time schedule prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, which is within 60 days of the end of the financial year (annual) and quarterly results will be approved and published within 45 days of end of quarter.

### Dividend

Keeping in view the expansion of existing business by the Company the Board of Directors does not recommend any dividend for the financial year ending March 31, 2017.

### Date of Book Closure

The date of Book Closure will be 23<sup>rd</sup> September, 2017 to 29<sup>th</sup> September, 2017 both days inclusive.



## Market Price Data

The share price of the Company at NSE & BSE is mentioned below:

SL No.	Month	BSE	
		High	Low
1	Apr, 16	57.00	46.85
2	May, 16	74.80	47.50
3	Jun, 16	60.80	49.00
4	Jul, 16	67.7	56.95
5	Aug, 16	97.8	56.05
6	Sep, 16	126.4	86.9
7	Oct, 16	149	118.4
8	Nov, 16	163.45	94
9	Dec, 16	122.85	99.8
10	Jan, 17	158.2	111
11	Feb, 17	194.4	148
12	Mar, 17	211	180.75

### Listing on Stock Exchanges

The Equity Shares of the Company are listed on the following Stock Exchanges across India:

Bombay Stock Exchange Limited - Mumbai  
National Stock Exchange of India Limited - Mumbai

### Stock Exchange Code (Security Code or Symbol)

Bombay Stock Exchange Limited : 532867  
National Stock Exchange of India Limited : V2RETAIL

### Listing fees

Listing Fees as prescribed has been paid fully to all the Stock Exchanges where the shares of the Company are listed.

### Details of Public fund raised in last Three years:

The Company has received public funds in the last three years as stated below:-

- Rs 7,50,00,000 (Rs Seven Crores Fifty Lacs) from Mr. Vivek Lodha in pursuance of allotment of 10,00,000 Equity shares as per Preferential Allotment during FY 2016-17.
- Rs 7,50,00,000 (Rs Seven Crores Fifty Lacs) from Mr. Pramod Chand Mahnot in pursuance of allotment of 10,00,000 Equity shares as per Preferential Allotment during FY 2016-17.
- Rs 7,50,00,000 (Rs Seven Crores Fifty Lacs) from Mr. Naresh Kumar Bhargava in pursuance of allotment of 10,00,000 Equity shares as per Preferential Allotment during FY 2016-17.

SL No.	Month	NSE	
		High	Low
1	Apr, 16	56	45.65
2	May, 16	74.8	46.10
3	Jun, 16	60.30	49.10
4	Jul, 16	67.65	56.25
5	Aug, 16	97.90	58.15
6	Sep, 16	126.30	85.55
7	Oct, 16	149.50	118.05
8	Nov, 16	163.75	94.30
9	Dec, 16	122.20	98.05
10	Jan, 17	158.25	111
11	Feb, 17	194.30	148
12	Mar, 17	209.90	178.50

- Rs 12,18,74,955 (Rs Twelve Crore Eighteen Lacs seventy Four Thousand Nine Hundred fifty five) from M/s. Bennett, Coleman And Company Limited in pursuance of allotment of 20,35,065 Equity shares as per Preferential Allotment upon conversion of Warrants during FY 2016-17.

Apart from above The Company has not received any public funding in the last three years except issue of warrant to M/s Bennett Coleman and Co. Ltd. for a total consideration of Rs. 32,50,00,000/- (Rs. Thirty Two Crores Fifty Lacs only) and received Rs. 8,12,50,000/- (Rs. Eight Crores Twelve Lacs Fifty Thousand only) as application money against the share warrant.

### Dematerialization of Shares

The Equity Shares of your Company are under compulsory dematerialization mode as on March 31, 2017. The ISIN for the Equity Shares of the Company is INE945H01013.

99.49% of shares of the Company are dematerialized as on March 31, 2017. Trading in Equity shares of the Company is permitted only in Demat mode.

The Equity shares of your Company are regularly traded on 31<sup>st</sup> March 2017.

	BSE	NSE
Total Traded Quantity	20,266	64,778
Turnover	38,44,403	123,09,935

Source: BSE & NSE website (Data March 31, 2017)

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

10,00,000 (Ten Lacs) Convertible warrant allotted to M/s Ricon Commodities Pvt. Ltd on 22-11-2016 which will be converted on or before 18 month from allotment.

**REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Private Limited  
(formerly known as Intime Spectrum Registry Limited)  
C 101, 247 Park,  
L B S Marg, Vikhroli West,  
Mumbai 400 083  
Tel No: +91 22 49186000 Fax: +91 22 49186060  
Email: delhi@linkintime.co.in

**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.

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

**Distribution of Shareholding As on March 31, 2017**

Sr. No.	Shares From	Range To	Number of Shareholders	% of Total Shareholders	Total Shares For The Range	% of Issued Capital
1	1	-- 500	15729	89.5168	1465703	4.7399
2	501	-- 1000	844	4.8034	690857	2.2341
3	1001	-- 2000	447	2.5440	689976	2.2313
4	2001	-- 3000	157	0.8935	411029	1.3292
5	3001	-- 4000	78	0.4439	284152	0.9189
6	4001	-- 5000	69	0.3927	323853	1.0473
7	5001	-- 10000	105	0.5976	761634	2.4630
8	10001	-- *****	142	0.8081	26295480	85.0362
<b>Total</b>			<b>17571</b>	<b>100</b>	<b>30922684</b>	<b>100</b>

**Shareholding Pattern as on March 31, 2017**

Category of Shareholders	No. of Shares	% of total shares	Number of shares pledged
Promoters	162,99,621	52.71	1,23,77,194
Foreign Institutional Investors	00	00.00	00
Financial Institutions/ Banks	29,360	0.10	00
Mutual Funds	00	00.00	00
Venture Capital	00	00.00	0
Insurance	00	00.00	00
Body Corporate	46,35,423	14.99	00
Individuals	93,00,248	30.07	00
Others	6,58,032	2.13	00
<b>Total</b>	<b>3,09,22,684</b>	<b>100.00</b>	<b>1,23,77,194</b>

**Performance in comparison to broad based indices -**

**Commodity price risk or foreign exchange risk and hedging activities**

**Not Applicable**

**Distribution Center**

The Company has Centralized Distribution Centre at Gurgaon catering all its Retail Stores.

**Address for Correspondence**

**Registered Office & Corporate Office**

Khasra no. 928, Extended Lal Dora Abadi Village  
Kapashera, Tehsil Vasant Vihar New Delhi South-  
West Delhi 110037 India

**On behalf of the Board of Directors**

**Date** : 21-08-2017  
**Place** : New Delhi

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

To  
The Members of V2 Retail Limited

#### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated October 7, 2016.

2. WeM/s. AKGVG & Associates, Chartered Accountants, the Statutory Auditors of V2 Retail Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

#### Management's Responsibility

3. The compliance of conditions of Corporate Governance 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.

#### Auditor's Responsibility

4. 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.

5. 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.

For AKGVG & Associates  
Chartered Accountants  
ICAI Firm Registration No. : 018598N

Vishal Singh  
Partner  
Membership No. : 511451  
Place: New Delhi  
Date: 30th May, 2017

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

#### Opinion

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

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

## Independent Auditor's Report

To  
The Members of V2 Retail Limited

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of V2 Retail Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information ("Financial Statements").

### 2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.



#### 4. Basis for Qualified Opinion

- (a) Attention is invited to note 4 of the financial statements, included in capital reserve amounting to Rs. 6,052,324,263 is Rs. 4,294,224,263 arising out of transfer of asset and liabilities to the acquiring companies in earlier years for which necessary reconciliations/ information to the tune of Rs. 37,224,324 is not available with the company. Accordingly in absence of the same, we are unable to comment on the appropriateness of capital reserve including consequential impact, if any, arising out of the same on these financial statements.
- (b) Attention is invited to note 14 of the financial statements, the Company has recognized Rs. 2,427,318,103 as deferred tax assets at the year-end for which it does not have reasonable/virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized in accordance with the principles of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Had the Company not recognized such deferred tax asset, impact on the Statement of Profit and Loss would have been decrease in profit during the year by Rs. 2,427,318,103 and decrease in Reserves and Surplus by Rs. 2,427,318,103.
- (c) Attention is invited to note 37 of these financial statements, the Company has disclosed contingent liabilities on account of appeals with various statutory authorities at different levels amounting to Rs.455,699,334 for which necessary information is not available with the Company to reliably ascertain estimated amount of such liabilities and consequential impact thereof on these financial statements in accordance with Accounting Standard-29-'Provisions, Contingent Liabilities and Contingent Assets' issued by the Institute of Chartered Accountants of India. Hence, we are unable to comment on the same.

#### 5. Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in "the Basis for Qualified Opinion" paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, its Profit and its cash flows for the year ended on that date.

#### 6. Emphasis of Matter

We draw attention to note 4 of these financial statements, wherein the Company has accumulated losses amounting to Rs. 4,774,597,405 at the year end, which raises concern regarding going concern status of the Company. However, during the year, the company has earned profit after tax of Rs. 72,552,495 and having regard to cost rationalization measures adopted by the Company, these financial statements have been prepared on a going concern basis and that no adjustments are required to the carrying value of assets and liabilities at the year end.

Our opinion is not qualified in respect of this matter.

#### 7. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that except for the possible effect of the matters described in Para 4(a), (b) and (c):

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except to the instances mentioned in Para 4 (a), (b) and (c) above;
- (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial control over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure B";
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements, refer note 37 to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) The Company has provided requisite disclosure in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the notification S. O. 3407 (E) dated 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on the audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management.

**For AKEGVG & Associates**

Chartered Accountants

ICAI Firm Registration No. : 018598N

**Vishal Singh**

Partner

Membership No.: 511451

Place: New Delhi

Date: 30<sup>th</sup> May, 2017

#### **Annexure A to the Independent Auditors' Report**

Referred to in Paragraph under the Heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date

- (i) (a) As per information and explanation given to us, the Company has maintained proper records showing full particulars, including situation of fixed assets except quantitative details.
- (b) The Company has a program of verification of its fixed assets to cover all the items 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 fixed assets. Pursuant to the program, certain fixed assets have been verified by the management during the year. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of the immovable property is held in the name of the Company.
- (ii) The management has conducted physical verification of inventories at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order is not applicable and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted, in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013, are applicable. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public. Accordingly paragraph 3(v) of the Order is not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any of products of the Company. Accordingly paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Provident fund and employees' state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues including Income tax, service tax, sales tax, value added tax and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, value added tax, cess and other statutory dues were outstanding, at the year-end for a period of more than six months from the date they became payable.

- (b) Details of Service tax and Sales tax/Value added tax which have not been deposited as on March 31, 2017 on account of disputes are given below :

Name of the Statute	State	Nature of the Dues	Period	Amount (Rs.)	Forum where dispute is pending
Service Tax Laws	Central	Service Tax	2006-07 to 2010-11	30,208,391*	Commissioner of Service Tax
Rajasthan Value Added Tax Act, 2003	Rajasthan	Sales Tax	2006-07	5,155,233	Assistant Commissioner of Sales Tax
Rajasthan Value Added Tax Act, 2003	Rajasthan	Sales Tax	2007-08	10,000,000	Appellate Authority of Sales Tax
Rajasthan Value Added Tax Act, 2003	Rajasthan	Sales Tax	2007-08	17,353,962	Jt. Commissioner (Appeals) of Sales Tax
Rajasthan Value Added Tax Act, 2003	Rajasthan	Sales Tax	2007-08	1,525,511	Assistant Commissioner of Sales Tax
Rajasthan Value Added Tax Act, 2003	Rajasthan	Sales Tax	2009-10	50,000	Assistant Commissioner of Sales Tax
The Uttar Pradesh Value Added Tax Act, 2008	Uttar Pradesh	Sales Tax	2009-10	203,000	Jt. Commissioner (Appeals) of Sales Tax
The Uttar Pradesh Value Added Tax Act, 2008	Uttar Pradesh	Sales Tax	2009-10	2,242,668	Assistant Commissioner of Sales Tax
Rajasthan Value Added Tax Act, 2003	Rajasthan	Sales Tax	2007-08	5,511,558	Deputy Commissioner, Jaipur of Sales Tax
Rajasthan Value Added Tax Act, 2003	Rajasthan	Sales Tax	2008-09	6,793,445	Deputy Commissioner, Jaipur of Sales Tax
West Bengal Value Added Tax Act, 2003	West Bengal	Sales Tax	2008-09	225,000,000	Deputy Commissioner of Sales Tax
The Assam Value Added Tax Act, 2003	Assam	Sales Tax	2010-11	720,420	Deputy Commissioner (Appeals) of Sales Tax
<b>Total</b>				<b>304,764,188</b>	

\*A sum of Rs. 7,500,000 has been deposited by the Company against this disputed due.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution. The Company has not taken any loan or borrowings from the bank and Government. The Company has not issued any debentures as at the Balance Sheet date.
- (ix) According to the information and explanations given by the management, the company has neither raised any money by way of initial public offer of further public offer (including debt instruments) and term loans during the year nor did it have any such unutilised money outstanding at the start of the year. Hence, reporting under paragraph 3(ix) of the Order is not applicable.

- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Managerial Remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of its Equity shares during the year and requirement of the section 42 of the Companies Act 2013 have been complied with and the amount raised have been used for the purpose for which the funds were raised.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

**For AEGVG & Associates**

Chartered Accountants

ICAI Firm Registration No. : 018598N

**Vishal Singh**

Partner

Membership No.: 511451

Place: New Delhi

Date: 30<sup>th</sup> May, 2017

## **Annexure - B to the Independent Auditors' Report**

Referred to in Paragraph (f) under the Heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **V2 Retail Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India.

**For AKGVG & Associates**

Chartered Accountants

ICAI Firm Registration No. : 018598N

**Vishal Singh**

Partner

Membership No.: 511451

Place: New Delhi

Date: 30<sup>th</sup> May, 2017



# Balance Sheet

(Amt in INR)

Particulars	Notes	As at 31st Mar. 2017	As at 31st March, 2018
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	309,226,840	248,876,190
(b) Reserves and Surplus	4	3,445,404,886	2,626,418,176
(c) Money received against Share Warrants		18,750,000	84,909,925
		<b>3,773,381,726</b>	<b>2,960,204,291</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	-	-
(b) Other Long term liabilities	6	826,000	5,147,000
(c) Long term provisions	7	119,850,700	90,401,550
		<b>120,676,700</b>	<b>95,548,550</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	5	87,638,222	431,317,760
(b) Trade payables	9	-	-
i) Total outstanding dues of micro and small enterprise		-	-
ii) Total outstanding dues of creditors other than micro and small enterprise		622,147,144	374,451,621
(c) Other current liabilities	10	65,823,385	626,413,380
(d) Short-term provisions	8	5,236,713	1,969,780
		<b>786,845,464</b>	<b>1,434,152,541</b>
<b>Total</b>		<b>4,674,903,890</b>	<b>4,489,905,382</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	11	505,881,108	285,179,629
(ii) Intangible assets	12	2,274,246	4,377,705
(iii) Capital work-in-progress		40,198,028	39,254,587
(b) Non Current Investment	13	158,269,354	253,766,411
(c) Deferred tax assets (net)	14	2,427,318,103	2,544,319,725
(d) Long term loans and advances	15	212,834,636	111,212,143
(e) Other non-current assets	16	44,183,373	43,093,107
		<b>3,390,958,849</b>	<b>3,281,203,307</b>
<b>(2) Current assets</b>			
(a) Inventories	17	1,146,152,266	1,088,764,095
(b) Trade receivables	18	12,566	1,858,620
(c) Cash and Bank Balances	19	64,653,094	31,225,355
(d) Short-term loans and advances	20	72,734,385	86,635,875
(e) Other current assets	21	392,730	218,130
		<b>1,283,945,041</b>	<b>1,208,702,075</b>
<b>Total</b>		<b>4,674,903,890</b>	<b>4,489,905,382</b>

Summary of Significant accounting policies

The Notes referred to above are an integral part of Financial Statements

As per our report of even date,  
For AKGVG & Associates  
ICAI Firm Registration No. : 018590N  
Chartered Accountants

Vishal Singh  
Partner  
Membership No: 511451

Place : New Delhi  
Date : 30th May, 2017

For and on behalf of the Board of Directors of  
V2 Retail Ltd.

Ram Chandra Agarwal  
Managing Director  
DIN 00491885

Uma Agarwal  
Director  
DIN 00495945

Unesh Kumar  
Company Secretary

Vipin Kaushik  
Chief Financial Officer

Place : New Delhi  
Date : 30th May, 2017

# STATEMENT OF PROFIT AND LOSS

(Amt in INR)

Particulars	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Income</b>			
Revenue from operations (Gross)	22	4,947,287,084	3,336,813,340
Less Sales Tax / VAT		233,070,140	137,401,120
Revenue from operations (Net)		<u>4,714,216,944</u>	<u>3,199,412,220</u>
Other Income	23	19,836,796	25,248,562
<b>Total revenue (I)</b>		<u><b>4,734,053,740</b></u>	<u><b>3,224,660,782</b></u>
<b>Expenses:</b>			
Purchase of Traded Goods	24	3,390,219,143	2,539,338,271
Changes in inventories of traded finished goods	25	(57,388,171)	(295,581,698)
Employee benefit expense	26	333,339,722	229,660,867
Other expenses	27	658,156,629	411,551,574
		<u><b>4,324,327,323</b></u>	<u><b>2,884,969,014</b></u>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	(I) - (II)	<b>409,726,417</b>	<b>339,691,768</b>
Depreciation and amortization expense	28	67,177,264	44,070,371
Finance Cost	29	86,138,924	132,473,508
<b>Profit before exceptional items and tax</b>		<u>256,410,229</u>	<u>163,147,889</u>
<b>Exceptional Items</b>	30	233,143,888	39,208,500
<b>Profit before Tax</b>		<u>489,554,117</u>	<u>202,356,389</u>
<b>Tax expense</b>			
- Current tax		-	-
- Deferred tax		117,001,622	79,868,301
<b>Total tax expense</b>		<u>117,001,622</u>	<u>79,868,301</u>
<b>Profit after tax before prior period expenses</b>		<u>372,552,495</u>	<u>122,488,088</u>
Prior period expenses	42	-	801,796
<b>Profit for the year</b>		<u><b>372,552,495</b></u>	<u><b>121,686,292</b></u>

**Earnings per equity share before exceptional items for the year [nominal value of share Rs. 10 (P.Y. Rs. 10)]**

-Basic	31	5.21	3.34
-Diluted		4.98	2.40

**Earnings per equity share after exceptional items for the year [nominal value of share Rs. 10 (P.Y. Rs. 10)]**

-Basic	31	13.91	4.93
-Diluted		13.30	3.54

**Summary of Significant accounting policies**

The Notes referred to above are an integral part of Financial Statements

As per our report of even date,

For AKGVG & Associates

ICAI Firm Registration No. : 018598N

Chartered Accountants

For and on behalf of the Board of Directors of

V2 Retail Ltd.

Vishal Singh  
Partner  
Membership No: 511451

Ram Chandra Agarwal  
Managing Director  
DIN 00491885

Uma Agarwal  
Director  
DIN 00495945

Umesh Kumar  
Company Secretary

Vipin Kaushik  
Chief Financial Officer

Place: New Delhi  
Date : 30th May, 2017

Place: New Delhi  
Date : 30th May, 2017

# Cash Flow Statement

(Amt in INR)

Particulars	For the year ended March 31'2017 (Rs.)	For the year ended March 31'2016 (Rs.)
<b>A. Cash flow from operating activities</b>		
Net profit before tax and exceptional items but after prior period items	256,410,229	162,346,092
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation	67,177,264	44,070,371
CWIP Written off	15,741,677	-
Interest income	(761,827)	(706,810)
Finance charges	86,138,924	111,236,456
Operating profit before working capital changes	<b>424,706,267</b>	<b>316,946,109</b>
Movements in working capital :		
Increase/(decrease) in trade payables	247,695,523	36,188,130
Increase/(decrease) in long-term provisions	29,449,148	20,783,203
Increase/(decrease) in short-term provisions	3,266,933	(2,705,594)
Increase/(decrease) in other current liabilities	(560,589,995)	(104,698,358)
Increase/(decrease) in other long-term liabilities	(4,321,000)	209,000
decrease/(Increase) in trade receivables	1,846,054	(605,425)
decrease/(Increase) in inventories	(57,388,171)	(295,581,698)
decrease/(Increase) in long-term loans and advances	(101,622,493)	(88,392,278)
decrease/(Increase) in short-term loans and advances	13,901,491	(20,074,277)
decrease/(Increase) in other current assets	(174,600)	(43,530)
decrease/(Increase) in other non-current assets	(908,052)	(12,889,037)
Cash generated from operations	<b>(3,538,899)</b>	<b>(150,863,756)</b>
Direct Taxes paid	-	-
<b>Net cash flow from operating activities (A)</b>	<b>(3,538,899)</b>	<b>(150,863,756)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets, including intangible assets, CWIP and capital advances	(296,730,702)	(171,168,119)
Proceeds from sale of Non current investment	171,641,974	81,700,000
Interest received	761,827	706,810
Decrease/(Increase) in pledged fixed deposits	(782,213)	860,326
<b>Net cash flow used in investing activities (B)</b>	<b>(125,109,114)</b>	<b>(87,900,983)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity share capital (net of expenses on issue of shares)	(5,809,275)	91,074,025
Share Premium received	402,149,290	-
Change in Capital Reserve due to slump sale in previous year	44,284,925	-
Repayment of long term borrowings	(192,410,268)	280,394,333
Finance charges	(86,138,924)	(111,236,456)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>162,078,748</b>	<b>260,231,902</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>33,427,739</b>	<b>21,467,163</b>
Cash and cash equivalents at the beginning of the year	31,225,355	9,758,192
Cash and cash equivalents at the end of the year	<b>64,653,094</b>	<b>31,225,355</b>
<b>Cash and cash equivalents</b>		
	<b>For the year ended March 31'2017 (Rs.)</b>	<b>For the year ended March 31'2016 (Rs.)</b>
Cash in hand	11,388,894	9,438,030
Balance with		
On current accounts	50,766,601	20,926,642
Balances with credit card banks	2,497,599	860,683
Total Cash and cash equivalents (Note 19)	<b>64,653,094</b>	<b>31,225,355</b>

Summary of significant accounting policies

2.1

The above cash flow statement has been prepared under the 'indirect method' as set out in Accounting Standard - 3 on "Cash Flow Statement"

As per our report of even date,

For AEGVG & Associates  
ICAI Firm Registration no : 018598N  
Chartered Accountants

Vishal Singh  
Partner  
Membership No: 511451

Place : New Delhi  
Date : May 30, 2017

For and on behalf of the Board of Directors of  
V2 Retail Ltd.

Ram Chandra Agarwal  
Managing Director  
DIN 00491885

Umesh Kumar  
Company Secretary

Uma Agarwal  
Director  
DIN 00495945

Vipin Kaulik  
Chief Financial Officer

# NOTES TO FINANCIAL STATEMENTS

*(All amounts in INR), unless otherwise stated*

## 1. 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 the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The Company is primarily engaged in the business of retail i.e. sales of garments, textiles, accessories and consumer durables products in India.

## 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

All Assets and liabilities have been classified as current or non-current as per the company's operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the 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 – non current classification of assets and liabilities

## 2.1 Summary of significant accounting policies

### a) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based on the management's best knowledge of the current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### b) Tangible fixed assets

Tangible fixed assets and Capital work-in-progress are stated at cost, less accumulated depreciation and impairment losses if any. The cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Tangible fixed assets held for sales are valued at lower of their carrying amount and net realisable value. Any write-down is recognized in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

(All amounts in INR), unless otherwise stated

**c) Depreciation on tangible fixed assets**

Depreciation is provided on pro-rata basis on the straight-line method over the estimated useful of lives of the assets which are higher than equivalent to the rates prescribed under Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The estimates of useful lives of the assets based on a technical evaluation. The estimates of useful lives of the assets are as follows:

<b>Tangible Assets</b>	<b>Useful Lives as per the Schedule II</b>	<b>Useful Lives as assessed by the management</b>
Furniture & Fixtures	10 Years	8 Years
Plant & Machinery	15 Years	15 Years
Motor Cars	8 Years	8-10 Years
Office Equipments	5 Years	5 Years
Computers	3 Years	3 Years
Servers and Networking	6 Years	6 Years
Electrical Equipments & Fitting	10 Years	10 Years
Leasehold improvements	N.A	8 years or remaining period of lease, whichever is lesser
Air Conditioners	15 Years	15 Years
Generator sets	15 Years	15 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

**d) Intangible assets**

Intangible Assets (Computer software) are stated at their cost of acquisition, less accumulated amortization and impairment loss thereon. An intangible asset is recognized where it is probable that future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.

Gain or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and carrying amount of the asset and recognized as income or expense in the statement of Profit and Loss. The amortization rates used is

<b>Intangible Assets</b>	<b>Useful Lives as assessed by the management</b>
Software	3 Years

**e) Impairment of tangible and intangible assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(All amounts in INR), unless otherwise stated

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

#### f) Operating Leases

##### Where the Company is the Lessee

Lease arrangements where the risk & rewards incidental to ownership of assets substantially vest with the Lessor, are recognized as Operating Leases. Lease rental under operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the period of lease.

##### Where the Company is the Lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

#### g) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 respective qualifying asset as defined in Accounting Standard-16. All other borrowing costs are recognised in statement of Profit and Loss in the period they occur.

#### h) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

##### Investment property

An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of, the Company, is classified as an investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.



(All amounts in INR), unless otherwise stated

The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on building is calculated on a written down value prescribed under the Schedule II to the Companies Act, 2013. The Company has used the depreciation rate of 4.87%.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

**i) 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 estimated costs of completion and estimated costs necessary to make the sale.

**j) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

**Sale of goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Retail sales are recognized on delivery of the merchandise to the customer, when the property in goods and significant risks and rewards are transferred for a price and no effective ownership control is retained. Revenue is net of returns, trade discounts and sales/ value added tax.

**Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other income" in the Statement of Profit and Loss.

**Income from services**

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

**k) Retirement and other employee Benefits**

**Short-term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as Short-term employee benefits. Benefits such as salaries, wages, bonus and medical benefits etc. are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

(All amounts in INR), unless otherwise stated

#### **Long-term employee benefits:**

##### **Defined contribution plans:**

The Company makes defined contribution to Government Employee Provident Fund, Employee Deposit Linked Insurance and E.S.I., which are recognized in the Statement of Profit & Loss on accrual basis. The Company recognizes contribution 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 made on a monthly basis.

##### **Defined Benefit Plans:**

The Company provides for retirement benefits in the form of Gratuity. The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under the defined benefit plans, is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

##### **Other long-term employee benefits:**

Accumulated compensated absences, which are expected to be availed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit Method) as the end of each year. Actuarial Losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

#### **1) Income Taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit and Loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit and Loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes

(All amounts in INR), unless otherwise stated

unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**m) 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 AS-17 "Segment reporting" notified by Companies (Accounting Standards) Rules, 2006.

**n) Earnings per share**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. 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.

**o) Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**p) 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.

**q) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**r) Cash flow statement**

Cash flows are reported using indirect method, whereby profit before tax reported in the Statement of Profit and Loss is adjusted for the effects of transactions of non-cash nature and any deferrals or

*(All amounts in INR), unless otherwise stated*

accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

**a) Employee Stock Option Plan**

The stock options granted are accounted for as per the accounting treatment prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI, whereby the cost of equity-settled transactions is measured using the intrinsic value method.

The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognized as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortized portion of value of lapsed portion and credit to deferred employee compensation expense equal to the un-amortised portion.

### 3. Share Capital

Particulars	As at	
	31st March 2017 (Rs.)	31st March 2016 (Rs.)
<b>Authorized shares</b>		
<b>Equity share capital</b>		
40,000,000 (Previous Year : 40,000,000) equity shares of Rs. 10/- each	400,000,000	400,000,000
<b>Preference Share Capital</b>		
400,000 (Previous Year : 400,000) preference shares of Rs. 145/- each	58,400,000	58,400,000
	<b>458,400,000</b>	<b>458,400,000</b>
<b>Issued, subscribed &amp; fully paid up shares</b>		
30,922,684 (Previous Year : 24,887,619) Equity Shares of Rs. 10/- each, fully paid up	309,226,840	248,876,190
Money received against Share Warrants	18,750,000	84,909,925
<b>Total issued, subscribed &amp; fully paid up Share Capital</b>	<b>327,976,840</b>	<b>333,786,115</b>

#### a. Reconciliation of the shares outstanding at the beginning and end of the reporting period

Particulars	As at 31st March 2017		As at 31st March 2016	
	Numbers	Amount	Numbers	Amount
At the beginning of the year	24,887,619	248,876,190	23,577,749	236,777,490
Issued during the year	6,035,065	60,350,650	1,309,870	13,068,700
Outstanding at the end of year	30,922,684	309,226,840	24,887,619	248,876,190

#### b. Terms / rights attached to equity shares /warrants

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends 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.

The Company has made Preferential Allotment of 40,00,000 equity Shares @ Rs 75/- (including share premium @ Rs 65 per equity share) each to Promoter and Non Promoter Group on 22 Nov 2016 and Company has allotted 10,00,000 Convertible Warrant @ Rs 75/- each to Ricon Commodities Pvt Limited ( Promoter Group) on 22 Nov 2016. Further Company has made Allotment of 20,35,065 equity shares @ Rs 79.85/- (including share premium @ Rs 69.85 per equity share) each to M/s Bennett Coleman & Co LMS/(BCCI) Non Promoter on 07 Jan 2017 pursuant to Conversion of Warrant by M/s Bennett Coleman & Co Ltd.

#### c. Details of Shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March 2017		As at 31st March 2016	
	Numbers	% holding	Numbers	% holding
Equity Shares of Rs. 10 each fully paid				
Unicon Marketing Private Limited	5,444,710	17.607%	5,444,710	21.877%
Ricon Commodities Private Limited	5,940,000	19.209%	4,940,000	19.849%
Akash Agarwal	2,488,750	8.048%	2,488,750	10.000%
Bennett Coleman and Company Limited	2,035,065	6.581%	-	-

#### 4. Reserve & Surplus

Particulars	As at	
	31st March 2017 (Rs.)	31st March 2016 (Rs.)
<b>Securities Premium</b>		
Balance as per last financial statements	1,713,495,845	1,713,495,845
Add: Addition during the year	462,149,290	-
Closing Balance	2,115,645,135	1,713,495,845
<b>Capital Reserve</b>		
Balance as per last financial statements	6,060,072,231	6,060,072,231
Add: Addition during the year	44,284,925	-
Closing Balance	6,104,357,156	6,060,072,231
<b>Surplus/(deficit) in the statement of Profit &amp; Loss</b>		
Balance as per last financial statement	(5,147,149,900)	(5,266,836,193)
Add: Profit for the year	372,552,495	121,686,293
Closing Balance	(4,774,597,405)	(5,147,149,900)
<b>Total</b>	<b>3,445,404,886</b>	<b>2,626,418,176</b>

5. Long term borrowings

Particulars	Non-Current Portion		Current Portion	
	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
<b>Term Loan</b>				
From Financial Institutions*(refer note 5.1)	-	-	-	553,093,777
<b>Deposits (Unsecured)</b>				
Inter-corporate deposits (refer note 5.2)	-	-	87,638,660	430,978,324
From Directors	-	-	5,562	341,436
<b>Total</b>	-	-	87,638,222	984,411,537
<b>The above amount includes</b>				
Secured borrowings*	-	-	-	553,093,777
Unsecured Borrowings	-	-	87,638,222	431,317,760
<b>Amount disclosed under the head :</b>				
*Other current liabilities & Provisions* (note 10)	-	-	-	553,093,777
<b>Total</b>	-	-	87,638,222	431,317,760

\* Securities furnished in respect of borrowings taken by the Company are as follows:

5.1 State Bank of India & Pegasus Assets Reconstruction Pvt. Ltd.

There is no outstanding loan from State Bank of India, the charges mentioned herein below are to be removed from MCA.

The loan originally taken from HSBC Bank Limited has been assigned to Pegasus Assets Reconstruction Pvt. Ltd and the term loan has been paid during financial year FY 16-17.

The Company, vide proposal for settlement of term loan dated 30<sup>th</sup> June, 2016 from Pegasus Assets Reconstruction Private Limited (one of the Company's lenders) had agreed for one time settlement of its loan including interest at Rs. 4,250.00 lacs along with interest at 12% p.a. on monthly rests to be paid till 30<sup>th</sup> November, 2016.

During the year, the Company has settled the outstanding amount of loan including interest with Pegasus Assets Reconstruction Pvt. Ltd and has reversed the excess interest amounting to Rs. 151,269,271 (Refer Note- 30 "Exceptional Items").

First charge on *parpassu* basis on all the movable and immovable assets of the Company as on the transfer date.

First *parpassu* charge by way of equitable mortgage of property in the name of Vishal Water World Pvt. Ltd. situated at Kouchapukur, PO Hatgachia, dist 24 Parganas (West Bengal)

First *parpassu* charge by way of equitable mortgage of property in the name of VRL situated at Krishna nagar Village, Taluk-Jubli, District Dharwad and NOC for Sale of the same has been availed.

First *parpassu* charge by way of equitable mortgage of property in the name of VRL situated at PJE Plaza, deg No.77-78,81,82,Khasra B no.655-11-5-12, Mauza -Kyenjars, VIP road ,Kolkata (except ground floor) and same including Ground Floor has been sold in lieu of term loan payment of Pegasus Assets Reconstruction Pvt. Ltd during financial year 2016-17.

Personal Guarantee of Mr. Ram Chandra Agarwal and Mrs. Uma Agarwal

Corporate Guarantee of Vishal Water World Pvt. Limited

Pledge of 100% of existing promoters' shareholding in the Company or 51% of the Company's paid up capital whichever is lower.

5.2 Inter- Corporate deposits

The Company has taken unsecured borrowing from various Companies which carries an interest rate of 12% - 15% p.a. These deposits are repayable on demand.

5.3 Bank of India, ING Vysya Bank and UCOBank

There is no outstanding loan from Bank of India, ING Vysya Bank & UCO Bank the charges mentioned herein below are to be removed from MCA

Exclusive charge with Bank of India of property at industrial land Khata no.329, Khasra No. 122/43 Mouza Central Hope town, (Saealaku), ParaganaPachwoodon, Tehsil Vikas Nagar, District Dehradun (Note: this is a small piece of land measuring 0.57 acres)

Subservient charge on Current Assets

Personal Guarantee of Mr. Ram Chandra Agarwal and Mrs. Uma Agarwal.

Pledge of 953,770 shares of VRL.

Corporate Guarantee of Unicom Marketing Private Limited,(Liability limited to the extent of shares pledged( 7,70,000 shares of VRL)

Post dated Cheques for Principal Amount + FITL

Pledge of 100% of existing promoters' shareholding in the Company or 51% of the Company's paid up capital whichever is lower.



## 6 Other Long Term Liabilities

Particulars	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
Security Deposit *	826,000	5,147,000
	826,000	5,147,000

\*The above amount includes security deposit received against renting of showroom at VIP Road, Kolkata Rs. Nil (previous year Rs. 4,800,000) and security deposit received from shop-in-shop vendors of Rs. 826,000 (previous Year Rs. 347,000)

## 7 Long Term Provisions

Particulars	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
<b>Provision for employee benefits</b>		
Provision for Gratuity	4,494,855	5,080,048
Provision for Compensated absences	2,037,725	2,019,708
<b>Other Provisions</b>		
Lease Equalization Reserve	109,143,775	83,301,794
Other	41,74,545	-
	119,850,700	90,401,550

## 8 Short Term Provisions

Particulars	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
<b>Provision for employee benefits</b>		
Provision for Gratuity	2,440,126	740,215
Provision for Compensated absences	2,796,587	1,229,565
	5,236,713	1,969,780

## 9 Trade Payables

Particulars	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
<b>Trade Payables</b>		
i) Total outstanding dues of micro and small enterprise ( Refer note below details of due to Micro and small enterprises)	-	-
ii) Total outstanding dues of creditors other than micro and small enterprise	622,147,144	374,451,621

## 9.1 Details of dues to MICRO and small enterprise as defined under the MSMED Act,2006

In terms of notification no. G.S.R,719 (E) dated November16,2007 issued by the Central Government of India, the disclosure of payments due to any supplier as at March 31, 2017 are as follows:

Particular	As at 31-Mar-2017 (Rs.)	As at 31-Mar-2016 (Rs.)
<b>Balance of Sundry Creditors</b>		
- Principal amount due to Micro, Small and Medium Enterprises	-	-
- Principal amount due to Others	-	-
<b>Total</b>	-	-
<b>Interest accrued and due at the end of the year</b>		
- Interest on payments due to Micro, Small and Medium Enterprises	-	-
- Interest on payments due to others	-	-
- Interest due and payable on amounts paid during the year to Micro, Small and Medium Enterprises beyond the appointed date	-	-
<b>Total</b>	-	-
<b>Paid during the year</b>		
Principal amount (including interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-	-
- Principal amount	-	-
- Interest thereon	-	-
Principal amount (excluding interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-	-
The appointed date	-	-

	-	-
<b>Others</b>		
- Interest accrued in the prior year and paid during the year	-	-
- Interest accrued during the year and paid during the year	-	-

**Note:-**

The Company has initiated the process of Identification of suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at Balance Sheet date.

**10. Other Current Liabilities & Provisions**

Particulars	As at	As at
	31st March 2017 (Rs.)	31st March 2016 (Rs.)
Current maturities of long-term borrowings (refer note - 5)	-	544,211,170
Interest accrued and due on borrowings	-	8,882,607
Salary & bonus payable	29,334,545	20,220,067
Statutory liabilities	13,821,474	2,856,541
Advance against sale of property	5,500,000	5,500,000
Overdrawn current accounts	-	16,202,369
Capital Creditors	13,050,086	24,677,099
Others	4,117,280	3,863,627
	<b>65,823,385</b>	<b>626,413,360</b>

## 11. Tangible Assets

Particulars	Leasehold Improvement	Plant & Machinery	Generator Set	Furniture & Fixture	Electrical Equipments & Fittings	Office Equipments	Air Conditioner	Computer	Motor Vehicles	Total
Cost or valuation										
As on 1st April 2015	4,672,125	3,493,930	18,063,417	118,415,559	31,291,471	2,347,781	31,069,759	27,717,907	2,308,369	239,340,309
Additions	-	2,080,623	4,214,996	51,063,279	36,319,270	5,918,213	12,529,353	24,268,471	2,182,251	138,578,458
As on 31st March 2016	4,672,125	5,574,553	22,298,415	169,498,838	67,610,741	8,265,994	43,599,112	51,986,378	4,470,611	377,918,767
Additions	-	5,012,071	32,065,319	90,420,722	79,238,295	3,499,967	53,077,224	14,637,146	795,190	279,623,833
Regrouping	(925,678)	2,735,508	(71,999)	(5,477,668)	4,892,124	(3,656,571)	1,548,899	956,385	-	-
Regrouping from intangible assets	-	-	-	-	-	-	-	1,222,100	-	1,222,100
As on 31st March 2017	3,746,447	13,322,131	55,221,734	254,441,892	151,739,160	8,099,290	98,165,235	68,862,009	5,225,801	658,762,790
Depreciation										
As on 1st April 2015	1,885,184	997,853	2,740,366	25,857,822	6,875,174	954,067	4,606,883	14,659,985	1,040,769	58,431,213
Charge for the year ended 31st March 2016	554,891	257,598	1,233,272	16,633,671	3,078,556	871,513	2,283,556	8,095,356	387,612	34,305,805
As on 31st March 2016	24,53,875	8,55,651	3,973,638	42,291,493	10,653,730	1,825,610	6,890,439	22,155,321	1,428,281	92,737,138
Charge for the year ended 31st March 2017	447,421	887,857	2,341,307	25,948,355	11,219,724	1,456,847	4,355,025	12,434,933	5,77,736	59,472,107
Regrouping	(445,492)	720,734	(13,676)	(2,781,498)	2,287,915	(820,088)	708,694	143,491	-	-
Regrouping from intangible assets	-	-	-	-	-	-	-	672,347	-	672,347
As on 31st March 2017	2,455,004	2,284,145	6,301,269	85,458,360	24,380,389	2,885,349	11,955,058	35,406,892	2,016,620	152,881,592
Net Block										
As on 31st March 2017	1,290,443	11,037,886	48,920,465	188,983,532	127,378,791	5,433,821	86,210,177	33,396,897	3,209,782	505,881,108
As on 31st March 2016	2,218,059	4,719,082	18,324,777	137,207,345	56,757,611	6,446,384	36,948,673	29,831,857	3,032,330	285,179,629

## 12. Intangible Assets

Particulars	Computer Softwares
<b>Gross Block</b>	
As on 31st March 2015	70,47,253
Additions during the year	49,29,389
Adjustments/Sold during the year	-
<b>As on 31st March 2016</b>	<b>119,76,642</b>
Additions during the year	4,21,750
Regrouping to Tangible assets	(12,22,100)
<b>As on 31st March 2017</b>	<b>111,76,292</b>
<b>Amortization</b>	
As on 31st March 2015	54,45,001
Charge for the year	21,53,036
Adjustments/Sold during the year	-
<b>As on 31st March 2016</b>	<b>75,98,037</b>
Charge for the year	19,75,456
Regrouping to Tangible assets	(8,72,347)
<b>As on 31st March 2017</b>	<b>89,02,046</b>
<b>Net block</b>	
As on 31st March 2017	22,74,246
As on 31st March 2016	43,77,705

## 13. Non-Current Investments

Particulars	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
Investment property (at cost less accumulated depreciation)		
Investments in Land & Building which are not used for the operations of Company*	149,051,390	294,294,298
Less: Accumulated depreciation	30,382,036	80,127,877
<b>Net Block of investment property</b>	<b>118,669,354</b>	<b>214,166,411</b>
<b>Investment in Debentures</b>		
Compulsory Convertible Debentures (CCD) of TPG Wholesale Pvt. Ltd. at a coupon rate of .5% per annum, all CCD shall be mandatorily convertible into equity shares of TPG immediately prior to TPG IPO or upon completion of 10 years from issuance of CCD whichever is earlier	39,600,000	39,600,000
	<b>39,600,000</b>	<b>39,600,000</b>
	<b>158,269,354</b>	<b>253,766,411</b>

\* Title deeds are held in the name of the Company

**Investment property given as security**

Investment property are subject to first charge to secure the companies term loan taken from bankers and financial institutions as detailed in securities furnished in respect of loans taken by the company.

#### 14. Deferred Tax Assets

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the net decrease in deferred tax asset of Rs. 117,001,822 for the current year has been recognized in the profit & loss account. The tax effect of significant timing differences as at 31st March, 2016 that reverse in one or more subsequent years gave rise to the following net deferred tax assets as at March 31, 2017.

Particulars	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged in the financial statements	293,670	27,241,274
<b>Gross deferred tax liability</b>	<b>293,670</b>	<b>27,241,274</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	44,748,039	31,812,381
Brought Forward Losses and Unabsorbed Depreciation	2,382,863,734	2,630,748,619
<b>Gross deferred tax asset</b>	<b>2,427,611,773</b>	<b>2,571,561,000</b>
<b>Deferred tax asset(net)</b>	<b>2,427,318,103</b>	<b>2,544,319,726</b>

#### 15. Long term Loans & Advances

Particulars	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
<b>Unsecured Advances, considered good</b>		
Security Deposit	50,334,636	29,902,143
LC-Margin	1,62,500,000	81,250,000
	<b>212,834,636</b>	<b>111,212,143</b>

#### 16. Other Non-Current Assets

Particulars	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
<b>A) Secured, considered good</b>		
Fixed deposit with banks (held as Margin Money with Banks towards Bank Guarantee)	7,486,354	6,704,071
<b>B) Secured, considered good</b>		
Deposits Against Pending Litigation		
-With Service Tax Department	7,500,000	7,500,000
-With Others	8,196,989	7,889,036
-With Income Tax Department	21,000,000	21,000,000
	<b>44,183,373</b>	<b>43,093,107</b>

#### 17. Inventories

Particulars	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
Traded goods	1,146,152,268	1,088,764,095
	<b>1,146,152,268</b>	<b>1,088,764,095</b>

**18. Trade Receivables (Unsecured considered good unless otherwise stated)**

Particulars	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
<b>Receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
<b>Other receivables</b>		
-Unsecured, Considered good	12,566	1,858,620
	<b>12,566</b>	<b>1,858,620</b>

**19. Cash & bank balances**

Particulars	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
<b>Cash and cash equivalents</b>		
Balances with banks:		
- On current accounts	50,766,601	20,926,642
Credit card receivables	2,497,599	860,683
Cash on hand	11,388,894	9,438,030
	<b>64,653,094</b>	<b>31,225,355</b>

**20. Short term Loans & Advances**

Particulars	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
Advances recoverable in cash or in kind or for value to be received, considered good	36,686,686	67,397,804
Advance Income-tax	13,946,233	10,592,235
Balances with statutory/ government authorities	22,102,066	8,645,836
	<b>72,734,985</b>	<b>86,635,875</b>

**21. Other Current Assets**

Particulars	As at 31st March 2017 (Rs.)	As at 31st March 2016 (Rs.)
Interest accrued on Investment	392,730	218,130
	<b>392,730</b>	<b>218,130</b>

**22. Revenue from Operations**

Particulars	For Year Ended 31st March 2017 (Rs.)	For Year Ended 31st March 2016 (Rs.)
<b>A Revenue from operations</b>		
Sale of products		
Traded goods	4,939,327,897	3,330,735,600
<b>B Other operating revenue</b>		
Scrap sales	7,959,387	6,077,740
Revenue from operations (gross)	4,947,287,284	3,336,813,340
Less: Sales Tax / VAT	233,070,140	137,401,120
Revenue from operations (net)	<b>4,714,216,944</b>	<b>3,199,412,220</b>
<b>Details of product goods sold (net of VAT)</b>		
Apparels	4,559,920,614	2,891,238,069
Non Apparels	146,336,943	302,405,496
Others	7,959,387	5,768,655
Revenue from operations (Net)	<b>4,714,216,944</b>	<b>3,199,412,220</b>



## 23. Other Incomes

Particulars	For Year Ended 31st March 2017 (Rs.)	For Year Ended 31st March 2016 (Rs.)
<b>Interest Income On</b>		
Bank Deposits	567,827	502,778
Others*	194,000	204,032
Rental Income	19,074,969	24,541,752
	<b>19,836,796</b>	<b>25,248,562</b>

\*Interest income from others consists of interest on Compulsory convertible debentures issued by TPG Wholesale Private Limited of Rs. 1,94,000/- (Previous Year Rs. 194,001/-)

## 24. Details of purchase of traded goods

Particulars	For Year Ended 31st March 2017 (Rs.)	For Year Ended 31st March 2016 (Rs.)
Purchase of traded goods	3,390,219,143	2,539,338,271
<b>Details of purchase of traded goods</b>		
<b>Particulars</b>	<b>For Year Ended 31st March 2017 (Rs.)</b>	<b>For Year Ended 31st March 2016 (Rs.)</b>
Apparels	3,279,999,302	2,402,632,978
Non Apparels	110,219,841	136,705,293
	<b>3,390,219,143</b>	<b>2,539,338,271</b>

## 25. Increase / Decrease In Inventory

Particulars	For Year Ended 31st March 2017 (Rs.)	For Year Ended 31st March 2016 (Rs.)
<b>Inventories at the end of the year</b>		
Traded goods	1,146,152,266	1,088,764,095
	<b>1,146,152,266</b>	<b>1,088,764,095</b>
<b>Inventories at the beginning of the year</b>		
Traded goods	1,088,764,095	790,182,397
	<b>1,088,764,095</b>	<b>790,182,397</b>
Net (Increase) in Inventory of traded goods	<b>(87,388,171)</b>	<b>(295,581,696)</b>
<b>Details of inventory</b>		
<b>Particulars</b>	<b>For Year Ended 31st March 2017 (Rs.)</b>	<b>For Year Ended 31st March 2016 (Rs.)</b>
<b>Details of inventory at the end of the year</b>		
Apparels	1,108,889,565	1,027,194,257
Non Apparels	37,262,701	61,569,838
	<b>1,146,152,266</b>	<b>1,088,764,095</b>

**26. Employee Benefit Expense**

Particulars	For Year Ended 31st March 2017 (Rs.)	For Year Ended 31st March 2016 (Rs.)
Salaries, wages and bonus	2,979,83,639	2,067,45,175
Contribution to Provident & other funds	22,935,979	15,829,538
Gratuity expenses	1,782,278	2,342,621
Staff welfare expenses	10,658,726	4,743,333
<b>Total in employee benefit expense</b>	<b>333,339,722</b>	<b>229,660,667</b>

**27. Other Expenses**

Particulars	For Year Ended 31st March 2017 (Rs.)	For Year Ended 31st March 2016 (Rs.)
Advertisement & sales promotion	79,722,472	26,206,356
Commission	153,121	44,215
Transportation expenses	66,938,238	43,218,157
Packing material expenses	52,045,793	41,551,306
Power & fuel expenses	93,261,779	52,704,483
Rent	246,387,043	174,167,300
Repairs & maintenance-		
- Building	3,084,052	2,389,375
- Plant & machinery	316,695	1,093,064
- Others	13,109,842	15,918,696
Insurance expenses	987,446	649,684
Rates & taxes	8,676,488	4,676,865
Bank charges	5,536,152	4,385,490
Cash collection charges	73,956	2,284,694
Legal & professional fees	15,174,435	11,471,603
Motor vehicle running & maintenance expenses	2,349,619	1,028,928
Printing & stationery	4,306,550	3,618,444
Security expenses	10,733,436	3,140,247
Housekeeping expenses	5,190,051	1,390,867
Communication costs	5,317,298	3,904,976
Travelling & conveyance	14,210,172	9,328,599
Postage & couriers expenses	100,590	675,987
Payment to auditors (refer details below)*	1,265,000	1,260,610
Directors' sitting fee	390,960	355,373
Commission on credit cards expense	9,045,273	5,111,744
CWIP written off	15,741,877	-
E-Commerce expenses	-	705,070
Miscellaneous expenses	4,098,521	269,437
<b>Total of other expenses</b>	<b>658,156,629</b>	<b>411,551,574</b>

\* Payment to auditors

Particulars	For Year Ended 31st March 2017 (Rs.)	For Year Ended 31st March 2016 (Rs.)
Statutory audit fees (including limited review)	1,265,000	1,260,610
	<b>1,265,000</b>	<b>1,260,610</b>

## 28. Depreciation and Amortization Expenses

Particulars	For Year Ended	For Year Ended
	31st March 2017	31st March 2016
	(Rs.)	(Rs.)
Depreciation on tangible assets	694,72,109	34,30,69,25
Amortization on intangible assets	1,975,456	2,153,936
Depreciation on investment property	57,29,699	76,10,510
	<u>87,177,264</u>	<u>44,870,371</u>

## 29. Finance Cost

Particulars	For Year Ended	For Year Ended
	31st March 2017	31st March 2016
	(Rs.)	(Rs.)
Interest on term loans	51,304,461	88,756,807
Interest on unsecured loans	34,442,377	22,479,649
Interest on working capital loans	392,086	21,237,052
Total	<u>86,138,924</u>	<u>132,473,508</u>

## 30. Exceptional Income

Particulars	For Year Ended	For Year Ended
	31st March 2017	31st March 2016
	(Rs.)	(Rs.)
Liabilities written back*	151,269,271	-
Gain on sale of non current investments**	81,874,617	39,208,500
	<u>233,143,888</u>	<u>39,208,500</u>

\* During the year, the Company has settled the outstanding amount of loan including interest with Pegasus Assets Reconstruction Pvt. Ltd and has reversed the interest liability.

\*\* The Company has sold its investment properties and recorded profit of Rs. 81,874,617 as gain on sale of investment property.

## 31. Earnings Per Share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:-

Particulars	For Year Ended	For Year Ended
	31st March 2017	31st March 2016
	(Rs.)	(Rs.)
Profit after tax	372,552,495	121,686,292
Net Profit for calculation of the basic EPS	<u>372,552,495</u>	<u>121,686,292</u>
Net Profit before Exceptional Items	139,408,607	82,477,792
Weighted average number of equity shares in calculating EPS	26,780,620	24,694,359
Convertible Share Warrant pending for conversion	1,226,261	9,666,896
Weighted average number of equity shares in calculating Diluted EPS	2,80,06,881	12,16,86,293
Basic EPS after Exceptional Items	13.91	4.93
Basic EPS before Exceptional Items	5.21	3.34
Diluted EPS after Exceptional Items	13.30	3.54
Diluted EPS before Exceptional Items	4.98	2.40

## 32. Employee Benefits

### a. Defined contribution plans

The Company's employee provident fund scheme are defined contribution plan amounting to Rs.16,050,851/- (previous year Rs. 11,622,160/-) towards employee provident fund has been recognized as an expense in relation other scheme and is included in employee benefits in the Statement of Profit and Loss.

### b. Defined benefit plans

#### (i) General description of defined benefit plan:

##### Gratuity plan

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.

#### (ii) The changes in the present value of obligation representing reconciliation of opening and closing balances there of are as follows:

Particulars	31 March 2017	31 March 2016
Present value of obligation as at the beginning of the year	5,820,263	3,477,442
Interest cost	448,160	271,240
Current service cost	1,771,801	2,085,444
Benefits paid	(647,760)	-
Actuarial (gain) on obligation	(487,683)	(13,863)
Present value of obligation as at the end of year	6,934,781	5,820,263

#### (iii) The amounts recognized in Balance Sheet are as follows:

Particulars	31 March 2017	31 March 2016
Present value of obligation as at the end of the year	6,934,781	5,820,263
Less: Fair value of plan assets as at the end of the year	-	-
Net liability recognized in Balance Sheet	6,934,781	5,820,263

Disclosed under	31 March 2017	31 March 2016
Long term provision ( Refer Note No.7)	4,494,655	5,080,048
Short term provision ( Refer Note No. 8)	2,440,126	740,125

#### (iv) The amounts recognized in Statement of Profit and Loss are as follows:

Particulars	31 March 2017	31 March 2016
Current service cost	1,771,801	2,085,444
Interest cost	448,160	271,240
Expected return on plan assets	-	-
Net actuarial gain recognized in the year	(487,683)	(13,863)
Expenses recognized in the Statement of Profit and Loss	1,762,278	2,342,821

#### (v) Principal actuarial assumption the Balance Sheet date are as follows

Particulars	31 March 2017	31 March 2016
Discount rate	6.50% p.a.	7.70% p.a.
Salary growth rate	10% p.a.	10% p.a.

Particulars	31 March 2017	31 March 2016
Retirement age	58 years	58 years
Mortality	IAL	IAL
	2006-08	2006-08

#### (vi) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the prevailing market yield of government bonds as at the Balance Sheet date for the estimated term of the obligation and the estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

**(vi) Experience on actuarial gain/ (loss) for Projected benefit obligation and plan assets:**

Particulars	31 March 2017	31 March 2016	31 March 2015
Present value of obligation as at the end of year	6,934,781	5,820,263	34,77,442
Fair value of plan assets	-	-	-
Net liability recognized in Balance Sheet	6,934,781	5,820,263	34,77,442

Amounts for the current and previous four periods are as follows:

Particulars	31 Mar 2017	31 Mar 2016	31 Mar 2015	31 Mar 2014	31 Mar 2013
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Gratuity					
Defined benefit obligation	6,934,781	5,820,263	3,477,442	1,599,599	709,022
Plan assets	-	-	-	-	-
Surplus / (deficit)	6,934,781	5,820,263	3,477,442	1,599,599	709,022

**(b) Other long term benefit (Compensated absences)**

The Company operates compensated absences plan, where in every employee is entitled to the benefit equivalent to 15 days leave salary for every completed year of service. The salary for calculation of earned leave is last drawn basic salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

An actuarial valuation of compensated absences has been carried out by an independent actuary on the basis of the following assumptions:

**(i) The changes in the present value of obligation representing reconciliation of opening and closing balances there of are as follows:**

Particulars	31 March 2017	31 March 2016
Present value of obligation as at the beginning of the year	3,249,273	23,56,225
Interest cost	250,194	183,786
Current service cost	2,530,594	1,595,506
Benefits paid	(1,500,588)	(676,279)
Actuarial (gain)/ loss on obligation	304,839	(209,965)
Present value of obligation as at the end of year	4,834,312	3,249,273

**(ii) The amounts recognized in Balance Sheet are as follows:**

Particulars	31 March 2017	31 March 2016
Present value of obligation as at the end of the year	4,834,312	3,249,273
Less: Fair value of plan assets as at the end of the year	-	-
Net liability recognized in Balance Sheet	4,834,312	3,249,273

Disclosed under	31 March 2017	31 March 2016
Long term provision ( Refer Note No.7)	2,937,725	2,019,708
Short term provision ( Refer Note No. 8)	2,796,587	1,229,565

**(iii) The amounts recognized in Statement of Profit and Loss are as follows:**

Particulars	31 March 2017	31 March 2016
Current service cost	2,530,594	1,595,506
Interest cost	250,194	183,786
Net actuarial (gain)/ loss recognized in the year	304,839	(209,965)
Expenses recognized in the Statement of Profit and Loss	3,085,627	1,569,327

(iv) Principal actuarial assumption at the Balance Sheet are as follows

Particulars	31 March 2017	31 March 2016
Discount rate	6.50% p.a.	7.70% p.a.
Salary growth rate	10% p.a.	10% p.a.

Particulars	31 March 2017	31 March 2016
Retirement age	55 years IAL	55 years IAL
Mortality	2006-06	2006-06

(v) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the prevailing market yield of government bonds as at the Balance Sheet date for the estimated term of the obligation and the estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

(vi) Experience on actuarial gain/ (loss) for Projected benefit obligation and plan assets:

Particulars	31 March 2017	31 March 2016	31 March 2015
Present value of obligation as at the end of year	4,834,312	3,249,273	2,356,225
Fair value of plan assets	-	-	-
Net liability recognized in Balance Sheet	4,834,312	3,249,273	2,356,225

33. Leases

The company has taken premises for showroom for 12 to 15 years lease/license period with lock in period of one to three year. The escalation clause is variable between 12% to 15% after every three years and the company generally takes three month rent free time from the date of possession given by the landlord.

Obligations on long term, non-cancellable operating leases

The lease rentals charged during the year and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective agreements.

Particular	For Year Ended 31st March 2017 (Rs.)	For Year Ended 31st March 2016 (Rs.)
A). Lease Rentals recognized during the year in Statement of Profit & Loss	246,387,043	174,167,300
Obligations		
Due in a period between one year and five years	1,321,675,161	692,736,681



34. Related Party Disclosures:

The Disclosures are required by the Accounting Standard – 18 (Related Party Disclosures) are given below:

a. Names of related parties and related party relationship with whom transaction have

(a) Company in which Key Management Personnel or their relatives have control/significant influence	Private Companies in which director of the Company is a director Unicon Marketing Pvt. Ltd. Ricon Commodities Pvt. Ltd. Vishal Water World Pvt. Ltd. V2 Conglomerate Pvt. Ltd.
(b) Key managerial personnel	
(i) Directors	Mr. Ram Chandra Agarwal (Director) Mrs. Uma Agarwal (Director)
(ii) Relative of key managerial personnel	Mr. Akash Agarwal (Son of Director)
(iii) Key managerial personnel	Mr. Mansu Tandon (Chief Executive Officer) till 31 Dec 2016 Mr. Varun Kumar Singh (Chief Financial Officer) till 23 May 2017 Mr. Vipin Kaushik (Chief Financial Officer) w.e.f. 30 May 2017 Mr. Umesh Kumar (Company Secretary & Compliance Officer)

b. Summary of transactions with related party:

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>1. Loans Repaid</b>		
Ram Chandra Agarwal	200,300	600,000
Mrs. Uma Agarwal	135,576	282,000
Ricon Commodities Pvt. Ltd.	246,905,453	112,364,830
Vishal Water World Pvt.Ltd.	217,149,854	9,710,000
V2 Conglomerate Ltd.	432,260,478	143,463,248
<b>2. Loans Accepted</b>		
Ricon Commodities Pvt. Ltd.	126,523,791	227,346,491
Vishal Water World Pvt.Ltd.	117,577,868	109,281,985
V2 Conglomerate Ltd.	352,237,623	223,486,704
<b>3. Remuneration</b>		
Mr. Ram Chandra Agarwal	42,00,000	1,200,000
Mrs. Uma Agarwal	42,00,000	1,200,000
Akash Agarwal	18,65,760	1,117,218
Mansu Tandon	17,94,391	2,101,776
Varun Kumar Singh	1,021,620	993,525
Yatish Bhardwaj	-	232,103
Mr. Gautam	-	259,479
Mr. Umesh Kumar (including ESOP)	11,48,840	13,225
<b>4. Purchases during the year</b>		
V2 Conglomerate Ltd.	-	226,856
<b>5. Payment made</b>		
V2 Conglomerate Ltd.	-	(409,717)
<b>6. Loan Payable</b>		
Mr. Ram Chandra Agarwal	-	205,860
Mrs. Uma Agarwal	-	135,576
Vishal Water World Pvt.Ltd.	-	99,571,985
V2 Conglomerate Ltd. (Loan A/c)	-	80,023,456
Ricon Commodities Pvt. Ltd.	-	126,381,661

Note : Key Management Personnel are covered under the Company's gratuity and leave encashment scheme along with the other employees of the Company. The gratuity/leave encashment liability is determined for all employees based on an independent actuarial valuation. The specific amount of gratuity/leave encashment for Key Management Personnel cannot be ascertained separately and accordingly the same has not been included above.

## 35. Expenditure in foreign currency (accrual basis)

Particular	For Year Ended 31st March 2017 (Rs.)	For Year Ended 31st March 2016 (Rs.)
Traveling Expenses	81,464	599,965
<b>Total</b>	<b>81,464</b>	<b>599,965</b>

## 36. Capital and Other Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of accounts (net of advances):

Particular	As at 31-Mar-2017 (Rs.)	As at 31-Mar-2016 (Rs.)
Capital commitments towards new showrooms for which the agreement/MOU has been entered into with the landlord of the relevant showroom	3,61,83,400	15,000,000
Lesses ( Refer Note 33)	1,321,675,161	692,738,881

## 37. Contingent Liabilities

Particulars	As at 31- Mar- 2017 (Rs.)	As at 31-Mar-2016 (Rs.)
a. Disputes under Sales Tax Law - matter under appeal	274,656,797	270,661,774
b. Claims against the Company not acknowledged as debts	150,935,146	178,763,480
c. Disputes under Service Tax Department Law	30,208,391	30,208,391
	<b>455,699,334</b>	<b>479,633,645</b>

The contingent liabilities, if materialized, shall entirely be borne by the Company, as there is no likely reimbursement from any other party. The Company's pending litigation comprises of claim against the company primarily for service tax, income tax and claims not acknowledged as debts. The company has reviewed all its pending litigation and proceedings and adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have material adverse effects its financial results.

## 38. Employee Stock Option Plan

On January 7<sup>th</sup> 2017 the Company has granted 256,578 Employee Stock Options as per the scheme approved by "Nomination and Remuneration Committee" of the Board of Directors, at an exercise price of Rs. 10/- per option with graded vesting. Out of which 30,317 Employee Stock Options have been forfeited subsequently (161,794 options vesting after 15 months from the date of grant and 64,467 option vesting after 36 months from the date of grant net of forfeiture). The graded options can be exercised after vesting at any time before the expiry of 3 months before vesting period.

The Company provides share-based payment scheme to its employees. During the year ended 31<sup>st</sup> 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<sup>th</sup> September, 2016, the Board of Directors ("Board") has approved the V2R-Employee Stock Option Scheme 2016 ("ESOP 2016") and grant of options to the eligible employee of the company under the Scheme. The Details of the scheme are as below

## a) Employee Stock Option Scheme

Particulars	Tranche-I SAR	Tranche-II SAR
No. of Options	179,287	77,291
Method of Accounting	Intrinsic Value	Intrinsic Value
Vesting Date	07-April-2018	06-Jan-2020
Exercise Period (Initiation of exercise period)	06-July-2018	05-April-2020
Grant Date	07-Jan-2017	07-Jan-2017
Grant/Exercise Price( Rs. Per Share)	10	10
Market Price on the date of Granting of Option( Rs)	121.85	121.85
Method of Settlement	Cash	Cash

b) Movement of Option Granted

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
Options Outstanding at the beginning of the year	-	-	N.A	N.A
Granted during the year	2,56,578	121.85	N.A	N.A
Exercised during the year	-	-	N.A	N.A
Forfeited during the year	30,317	121.85	N.A	N.A
Options Outstanding during the year	-	-	N.A	N.A
Options Unvested at the end of the year	2,26,261	121.85	N.A	N.A
Option Exercisable at the end of the year	-	-	N.A	N.A

c) Fair Valuation:

The Fair Valuation of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The Key assumption and Fair Value are as under:

Particulars	Tranche-I	Tranche-II
Risk free Interest Rate (%)	6.69	6.69
Life (Years)	1.50	3.24
Expected Volatility (%) <sup>*</sup>	60.21	60.21
Expected Dividend Yield (%)	-	-
Weighted average Fair Value Per Option (Rs)	181.05	182.07

<sup>\*</sup>Expected volatility of the Company's stock price is based on the Company's comparable peer group'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.

Particulars	31st March, 2017
Profit after tax to be considered for EPS	372,552,494
Add : Compensation Cost as per Intrinsic Value	41,74,545
Less : Compensation Cost as per Fair Value <sup>*</sup>	(410,30,310)
Adjusted Net Profit	335,696,729
Weighted average number of equity shares in calculating EPS (In Nos.)	267,80,620
Convertible Share Warrant pending for conversion	12,26,261
Weighted average number of equity shares in calculating Diluted EPS	280,06,881
Face Value of the Equity Share (In Rs.)	10
Reported Earnings Per Share (EPS)	
Basic EPS (In Rs.)	13.91
Diluted EPS (In Rs.)	13.30
Proforma Earnings Per Share (EPS)	
Basic EPS (In Rs.)	12.54
Diluted EPS (In Rs.)	11.99

39. Since the Company operates in single segment, no disclosure is required to be given as per AS-17<sup>\*</sup> Segmental Reporting<sup>\*</sup> issued by ICAI.

40. CIF value of imports

There are no import of traded goods and capital goods during the year.

41. Unhedged foreign currency expense and derivatives contracts

There are no outstanding derivatives contracts and unhedged foreign currency exposure as at balance sheet date.

#### 42. Prior Period Items

Items of prior period debited to the statement of the Profit & Loss are as under:

Particulars	For Year Ended 31st March 2017 (Rs.)	For Year Ended 31st March 2016 (Rs.)
Expenses		
Repairs & maintenance – Others	-	87,520
Rates & taxes	-	714,268
Total expenses	-	801,796
Net Prior Period Expenses	-	801,796

#### 43. CORPORATE SOCIAL RESPONSIBILITY (CSR)

For recognition, measurement, presentation and disclosure of expenditure on activities related to CSR activities, the company has adopted the prescribed under Guidance note on "Accounting for expenditure on CSR activities", issue by ICAI on 15th May 2015. The said guidance note clearly states that no provision for the amount which is not spent for the purpose of CSR (i) in case there is shortfall in spending on CSR activities below the prescribed threshold is required to be made in the books of accounts (except where the company has incurred a contractual liability in such regard)

Details of expenditure (in INR) incurred in relation to CSR activities during the year

Average net profit of the Company for last three financial years – 100,010,245

Prescribed CSR expenditure (2% of the amount as in Item 3 above) – 2,000,205

Details of CSR spent during the financial year

Total amount to be spent for the financial year:- 2,000,205

Amount unspent, if any :- 2,000,205

#### 44. Disclosure on Specified Bank Notes

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per notification are as follows:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	95,69,500	28,87,789	1,24,57,289
(+) Permitted receipts	-	46,82,85,301	46,82,85,301
(-) Permitted Payments	-	85,88,500	85,88,500
(-) Amount Deposited in Banks	95,69,500	45,34,11,646	46,29,81,146
Closing cash in hand as on 30.12.2016	-	91,72,944	91,72,944

- For the Purposes of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016

45. Previous year figures have been regrouped/ rearranged wherever considered necessary to make them comparable with current year figures.

As per our report of even date

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

For AKGVO & Associates  
ICAI Firm Registration No: 018596N  
Chartered Accountants

Vishal Singh  
Partner  
Membership No:511451

Ram Chandra Agarwal  
Managing Director  
DIN 00491885

Uma Agarwal  
Director  
DIN 00495045

Place: New Delhi  
Date: 30th May, 2017

Umesh Kumar  
Company Secretary

Vipin Kaulshik  
Chief Financial Officer

Place: New Delhi  
Date: 30th May 2017

## ATTENDANCE SLIP

V2 Retail Limited  
Regd. Office: Khasra No. 928, Extended Lal Dora Abadi, Village Kapashera,  
Tehsil Vasant Vihar New Delhi, South West Delhi – 110037 Phone: 011-41771850  
E-mail: cs@vrl.net.in, Website: www.v2retail.com  
CIN -L74999DL2001PLC147724

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING.

DP Id*	
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Folio No.	
-----------	--

Client Id*	
------------	--

No. of Shares	
---------------	--

NAME AND ADDRESS OF THE SHAREHOLDERS

I hereby record my presence at the 16<sup>th</sup> ANNUAL GENERAL MEETING held on Friday, September 29, 2017 at Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi-110038

\*Applicable for investors holding shares in electronic form.

Signature of Shareholder / Proxy

\_\_\_\_\_

**Proxy Form  
Form MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**V2 Retail Limited**

Regd. Office: Khasra No. 928, Extended Lal Dora Abadi, Village Kapashera,  
Tehsil Vasant Vihar, New Delhi, South West Delhi – 110037 Phone: 011-41771850

E-mail: cs@vrl.net.in, Website: www.v2retail.com

CIN - L74999DL2001PLC147724

**16<sup>th</sup> Annual General Meeting on Friday, September 29, 2017 at 10.00 A.M**

Name of the member(s):	E-mail Id:
Registered Address:	Folio No/*Client Id:
	*DP Id:

I/We, being the member(s) of \_\_\_\_\_ shares of V2 Retail Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16<sup>th</sup> Annual General Meeting of the Company, to be held on **Friday, September 29, 2017 at 10.00 a.m.** at Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi-110038 and any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

S.No.	Resolutions	For	Against
1.	Adoption of Audited Financial Statements along with the Report of the Board of Directors and Auditors for the financial year ended March 31, 2017		
2.	To appoint a director in place of Smt. Uma Agarwal (DIN: 00495945), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.		
3.	Appointment of M/s. Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No.----- ) as Statutory Auditors of the Company for a period of 5 years.		
4.	To appoint Mr. Siya Ram as an Independent Director of the Company.		
5.	To appoint Mr. Jitender as an Independent Director of the Company.		
6.	To appoint Mr. Akash Aggarwal as Whole Time Director of the Company		
7.	To Re- appoint Mr. Ram Chandra Aggarwal as Chairman and Managing Director of the Company		

\* Applicable for investors holding shares in electronic form.

Signed this.....day of ....., 2017

\_\_\_\_\_  
Signature of Shareholder

Affix  
Revenue  
Stamp of  
Rs.1/-


\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

NOTES:



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- (1) This proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
  - (2) A proxy need not be a member of the Company.
  - (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person of shareholder.
  - \*\* (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
  - (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
  - (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.