



Dedicated
retailer to the
other India

DISCLAIMER

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

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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There are a number of Indias within India.

The chic upmarket India. And the aspiring under-penetrated mid-market India.

It would have been easier to market to the chic upmarket India.

At V-Mart, we selected to retail to the aspiring, under-penetrated mid-market India instead.

And that has made all the difference.

V-Mart reported a 49% increase in PAT and a 25% increase in EBITDA in 2014-15, both being among the highest within its industry.



Availability. Accessibility. Affordability.

At V-Mart, we are focused on servicing the widening needs of an aspiring India – with a difference.

Not the India that lives in the metro cities. Not the India that frequently travels abroad. Not the upper-class India.

But the ‘other’ India. The India outside its metro cities. The larger middle-class India. The India that lives in Tier II and Tier III locations. The relatively under-penetrated India. The relatively under-serviced India. The aspiring India.

The result is that V-Mart reported a CAGR of 35% and 56% in revenue and PAT respectively over a period of five years ending in 2014-15, indicating sustained profitable growth.

Our stores

V-MART ASPIRE

V-Mart Aspire caters to the youth segment with apparel which is in sync with the latest trends. We stay abreast of market developments to purchase and stock merchandise accordingly.



Our vision

Create value and make our ecosystem proud

Our mission

- Care for customer aspirations
- Discover and nurture talent
- Sustain ethical growth
- Harness vendor relationships



Who we are

Established in 2002 as Varin Commercial Private Limited (later renamed as V-Mart Retail Limited), the Company was one of the pioneers in setting up family fashion stores – in the value-for-money retail segment across various small Indian towns and cities like Sultanpur,

Ujjain and Motihari, among others. Over the years, V-Mart Retail Limited (VMRL) has evolved into a one-stop family shop in non-metro locations with a diversely comprehensive portfolio of retail offerings around the positioning of 'Price-less Fashion'.

What we do

Our business is spread across three verticals – apparel, general merchandise (non-apparel and home mart) and *kirana bazaar*.

The Company offers customers a range of products at reasonable prices, emerging as a destination-of-choice

in Tier-II and Tier-III locations of the country.

The Company caters to the aspiring middle-class population, targeting the fashion-led aspirations of the youth and young families.

Where we are

The Company enjoys a pan-India presence across Tier-II and Tier-III locations.

As of 31st March 2015, the Company's 108 stores were spread across 91 cities in 12 states and union territories; the Company had 89 stores as on 31st March 2014.

The Company's store coverage was 8.83 lac square feet at the close of the year under review increasing from 7.12 lac square feet coverage as on 31st March 2014.

V-MART PLUS

V-Mart Plus caters to all age groups and serves the basic as well as discretionary needs of customers. Since these stores serve customers of all age groups and sections of the society, the Company stocks merchandise accordingly.

V-MART CORPORATE

V-Mart Corporate targets office-goers (both male and female) and the product line has been internally termed as Gold Line Fashion. These stores are located in areas where the population mostly comprises working professionals.

V-MART VALUES

V-Mart Values caters to all age groups and focuses on cost-competitive but quality products, keeping in mind the economic profile of the inhabitants of the region.



Apparels and accessories

The Company provides a wide range apparels and accessories for men, women, boys, girls and infants.

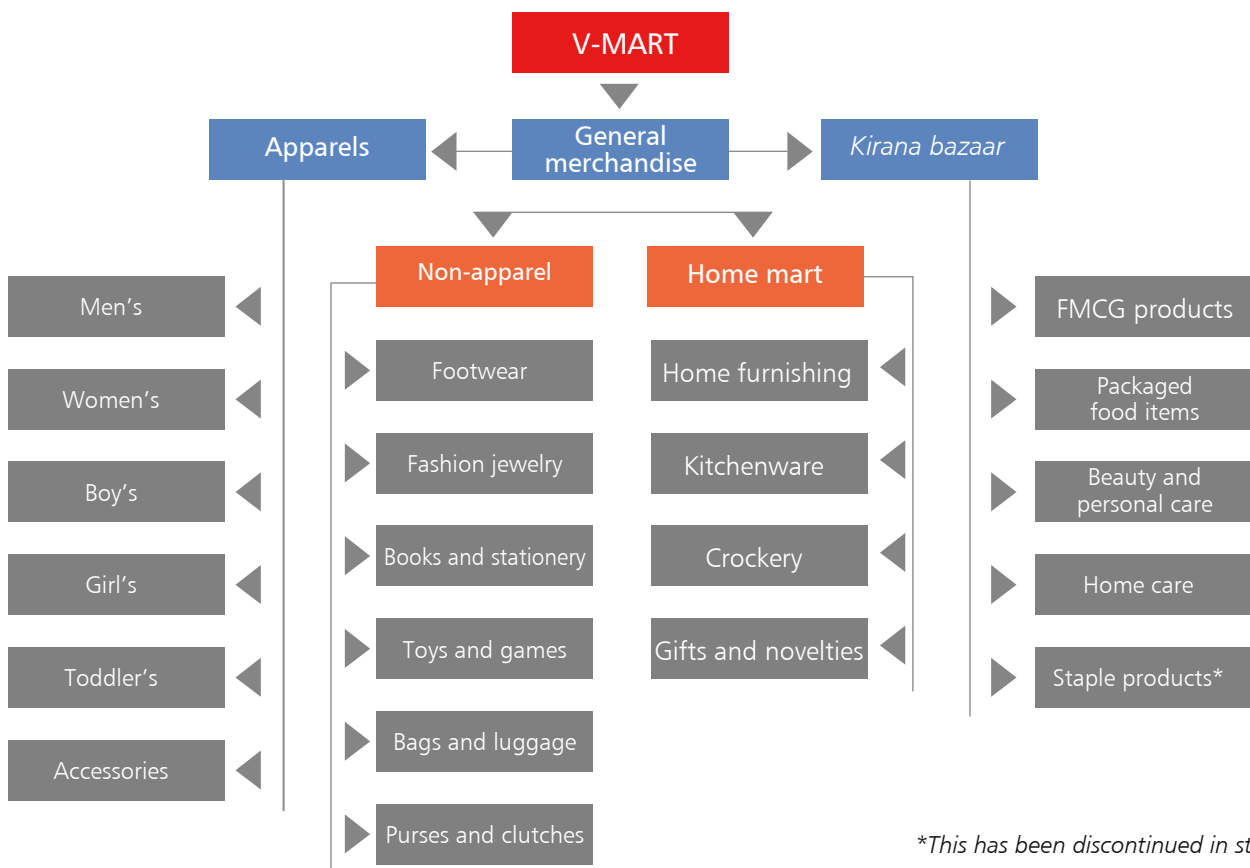
General merchandise

Non-apparel division: Footwear, books and stationery, toys and games, purses and clutches, fashion jewellery, bags and luggage.

Home mart division: Home furnishing, kitchenware, crockery, gifts and novelties.

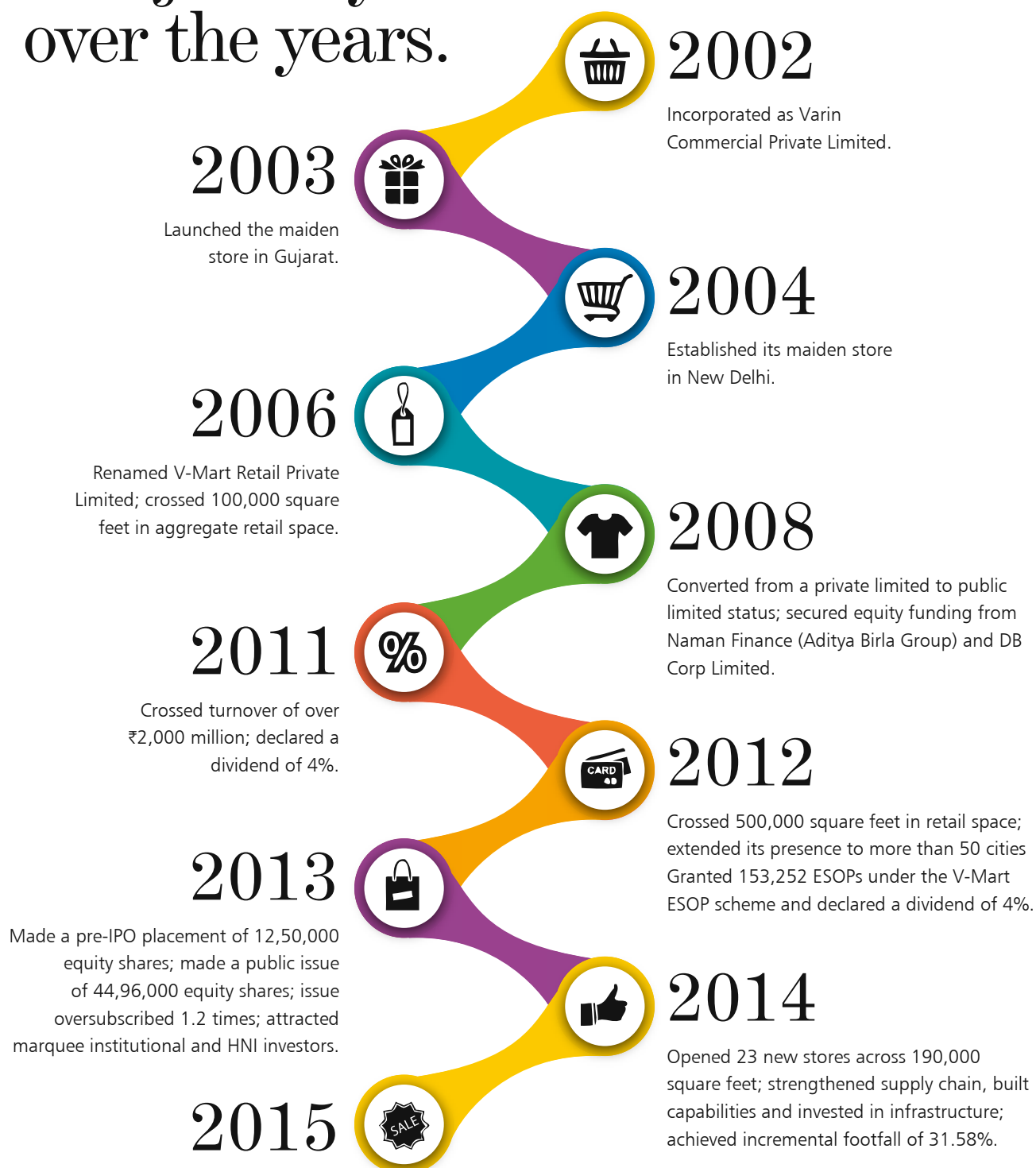
Kirana bazaar

FMCG products, packaged food items, beauty and personal care, homecare and staples.*



**This has been discontinued in stores opened after 31st March 2012.*

Our journey over the years.



Chairman's message

IT IS WITH BOTH
EXTREME PLEASURE AND
A SENSE OF GRATITUDE
TO OUR ASSOCIATES
AND CUSTOMERS THAT
I PRESENT THE 13TH
ANNUAL REPORT OF
V-MART FOR 2014-15.



25

Increase (%) in the
EBITDA of the Company
in 2014-15.

We, at V-Mart are propelled by have a differentiated and farsighted objective. We are humble yet possess firm values and have thousands of associates who are committed to do what is best for our customers and the society at large. The future is poised to become more vibrant especially with digital commerce accelerating, which would empower us to serve our customers in innovative ways. Our customers increasingly look forward to value addition, a wider variety and improved buyer experience that leads to an enhanced shopping experience in terms of both time and money saved. The combination of our human capital and exciting market opportunities makes me even more confident about our growth prospects.

Positioning ourselves to serve our customers better

V-Mart has been perennially committed to providing robust store sales across all markets by scaling its marketing efforts, maintaining an extremely competitive pricing strategy and customer-centric service delivery.

In keeping with our strategy to focus on Tier-II and Tier-III cities, we are committed to keep prices low and competitive on the back of a continued endeavour to maintain a low cost infrastructure. The price leadership is the epitome of our brand regardless of the market setup.

Driving operational excellence

We continue to enhance productivity so as to optimise our operational expenditures.

A continued thrust on increasing sales is foremost towards accomplishing our objectives. By keeping our operating expenses low and purchasing economically, we are well-positioned to sell at comparatively lower prices which, in turn, will encourage and drive our customers to buy from us. Further, our work culture draws upon best practices to continually improve our processes.

Optimal capital investments form the backbone of our operational excellence and business development projects. Our associates have increasingly proved their worth by bringing down expenses related to setting up new stores and renovating them. A keen emphasis on capex optimisation is the cornerstone of our new project development initiatives.

Embracing the challenge of changing proactively

Cognisant of the need to change constantly, we have equipped ourselves with all that is required to prosper in the unfolding retail scenario.

Our objective is clear, and that is to enable people to buy quality merchandise from us at the lowest possible rates – and our strategy will be mediated by enhancing these opportunities. As stated before, we

would be open to changes whenever required to continue serving our customers better and delighting them via an ever-improving shopping experience.

The Company is acutely aware of the fact that technology needs to be the key driver towards the Company's achievement of the long-term goals. Towards the same, the Company is making investments in the creation of infrastructure which shall support the growing needs of the Company. The Company intends to leverage cutting-edge technology to make information available on a real-time basis to support informed decision-making, ensure higher levels of systemic control and reduce the manual intervention in data/transactional processing. The Company has, during the year, implemented a communication platform to facilitate better reach and feedback to-and-from stores across geographies based on the belief that physical distance should not be a constraint for better communication.

The vendors play a key role in providing affordable fashion to our customers and as such the Company has started actively engaging with them. We have started an annual event, Sahyog, as a forum to engage vendors wherein we invited a select group of 200, shortlisted on the basis of performance predetermined parameters. The forum was utilised to communicate the way forward of the Company and also our expectations from them. In turn, opportunities were

also provided to them to suggest of areas of improvement and highlight constraints faced by them. The open exchange of ideas gave a number of areas for both the vendors and the Company to work on and, based on the success of the forum, it has been decided that the same shall be made a recurring event to holistically engage our vendor base.

The management appointed Ernst & Young as internal auditors so as to transparently evaluate internal processes by an external entity who, by virtue of their experience, would be in a position to provide valuable inputs to strengthen processes. The Company has also started the complete review of all processes to ensure that the same are in sync with the size and scale of the organisation.

As the Founder and CMD of V-Mart, I hope to continue to uphold the fundamentals our Company is founded upon – value for our customers, a drive for excellence and doing business with integrity. I look forward to explore the exciting opportunities that lie ahead to make sure that V-Mart continues serving customers the way we have been the past.

Serving customers and delivering value and money

Customers choose V-Mart for our broad assortment, including private labels and locally relevant merchandise, at affordable prices. It is our winning formula that results in our continued market share gains in



the apparel segment. With a mercantile mindset, we partner suppliers to increase product innovation and bring exciting new brands to our stores. We also work hard to improve our qualitative and executional excellence thereby making rapid strides in the fashion apparel space. Our prudent investments are driving sales by providing a lower-priced basket of products and building customers' trust in us through our value-for-money proposition.

Advancement in logistics and store operations continue to reduce costs and improve productivity. For instance, optimised transportation routes and distribution centre mechanisation are driving supply chain efficiencies. The senior management team was reinforced by adding domain heads with relevant professional experience in the areas of merchandise planning and SCM. Now, the Company is focusing on

strengthening the next line of managers who shall assume an operational role.

Performing commendably in a challenging environment

V-Mart delivered a robust growth in profits during FY2014-15. Operating income rose by 25% on net sales of ₹718.98 crore.

The net sales increased by 25% to ₹718.98 crore in FY2014-15 from ₹574.11 crore in FY2013-14. Operating profits increased by 25%, to ₹66.03 crore in FY2014-15 from ₹52.96 crore in FY2013-14. The Company posted a profit after tax of ₹37.37 crore in the current financial year 2014-15 as against a profit after tax of ₹25.16 crore in the previous financial year. During the year, we added 19 new stores under the brand V-Mart, covering 1.71 lac square feet of space and expanded our presence

to more than 91 cities in 11 states and 1 union territory across the country. The Company has a retail presence across 8.83 lac square feet. The Company also plans to expand into West Bengal and Odisha.

Industry trends

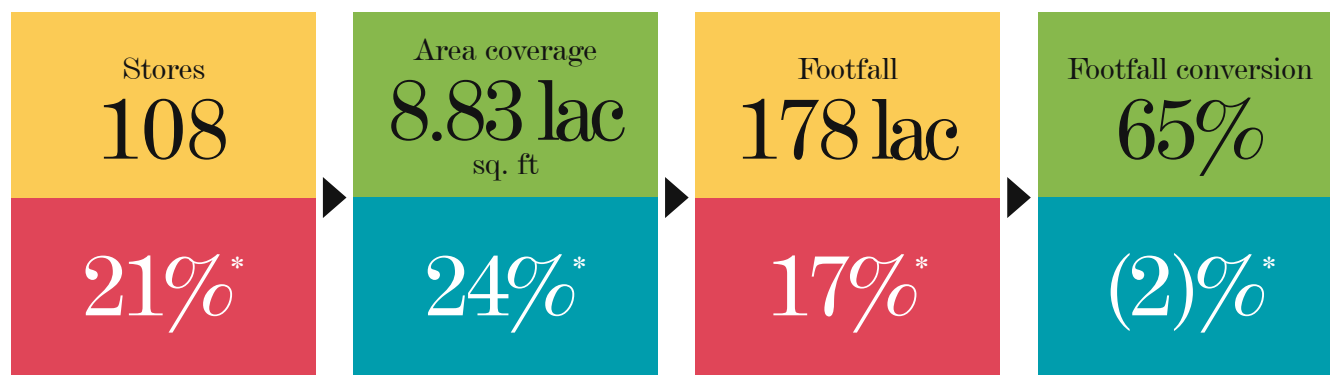
The Indian retail industry is one of the fastest growing markets in the world due to sound fundamentals such as stable economic growth, favourable demographic profile and rising per capita incomes. Retail industry in India is expected to grow to US\$ 950 billion by 2018, registering a compounded annual growth rate of 8.9% during 2000-18. The online retail market is expected to grow from US\$ 3.1 billion to US\$ 22 billion (from 10% to more than 15% of the organised retail market) during FY13-FY18.

India is the fifth largest preferred retail destination globally. The sector is

experiencing exponential growth, with retail development taking place not just in the metros, but also in the Tier-II and Tier-III locations. Healthy economic growth, changing demographic profiles, increasing disposable incomes, changing consumer tastes and preferences and increasing media penetration are other factors driving growth in the organised retail segment in India. India's price-competitiveness attracts large retail players to use it as a sourcing base.

India had over 13 million retail outlets in 2014 – the highest in the world. It also has the highest number of outlets (11,903) per million inhabitants. The various major retail formats in India include departmental stores, hypermarkets, supermarkets/convenience stores, specialty stores and 'cash and carry' stores.

The outlook of the Central Government seems positive



*Growth over 2013-14, ** Before tax

with respect to the easing of norms pertaining to foreign investment in the retail segment. This is expected to brighten prospects for the Company.

Taking corporate responsibility to a higher level

We are proud of the consumer trust and loyalty we have earned, and will keep up our commitment to compliance as well as moral and social responsibility.

As a respected national corporate, we undertake developmental initiatives in the town and cities in which we operate and thereby earn the trust of the people residing there through our commitment to social and environmental issues. We invest in guaranteeing procedural compliance and boosting capabilities so as to support charities and to lay a keen emphasis on environmental sustainability. V-Mart's strength as a retailer

has allowed it to persist for more than a decade of economic changes and retail industry transformations. It is a remarkable record, based on our unique ability to deliver on our purpose for customers, the strength of our culture and the foundation of strong governance by our Board of Directors. All of this together allows V-Mart to enhance shareholder value.

The Company realised that based on the rapidly evolving business scenario and the current size and scale of the organisation, it was imperative that the composition of the Board have a mix of members with various skill sets, offering diverse perspectives to facilitate the achievement of the Company's priorities. The Company inducted two Directors with credible track record and a specialised experience in corporate performance enhancement and human resource as well

as capability development. Also, in keeping with the long-term vision of the promoters i.e. segregating the ownership and Executive Management of the Company, Mr. Hemant Agarwal relinquished his Executive role in the Board and assumed a Non-Executive role.

Our Board is diverse, with broad business expertise ranging from technology to retail, and finance to compliance. Our Directors' diverse perspectives and experiences provide the support and foundation for our management team, as they refine our business strategy to suit changing customer needs.

By promoting the cause of an independent Board

Our family is proud to have a representation in guiding V-Mart's future, but we are committed to Independent Board Directors. Today,

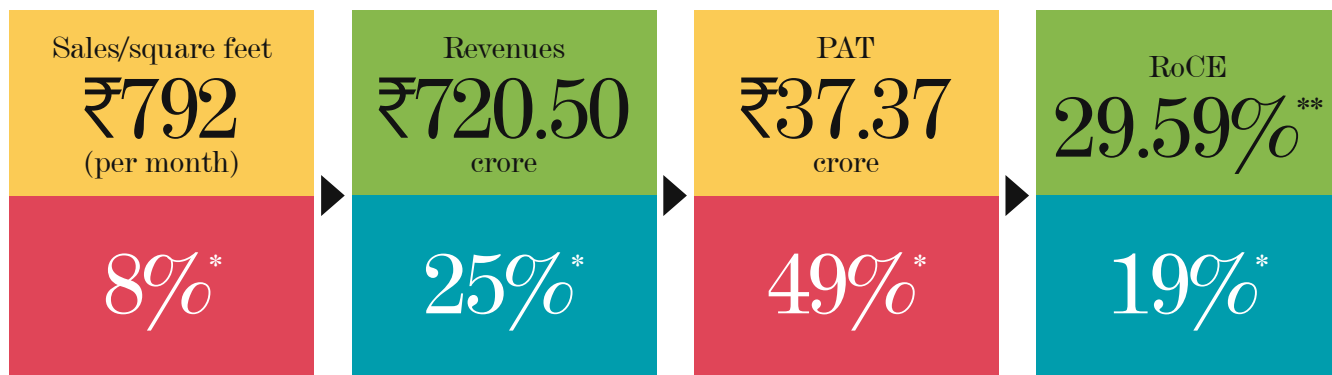
four out of six Directors are Non-Executive. Our Directors attended more than 90% of the Board and committee meetings during FY2014-15.

They challenge the management in delivering business objectives and employing strategies to win in this shifting global retail landscape. Besides, the Board consistently evaluates steps to strengthen governance.

I wish to express my gratitude for the support and guidance extended by various governmental and regulatory authorities and also to the auditors of the Company.

With an enduring commitment to strong corporate governance and effective leaders to chart our course, I am confident that our remarkable story of progress will continue.

With best regards,
Lalit Agarwal
Chairman & Managing Director



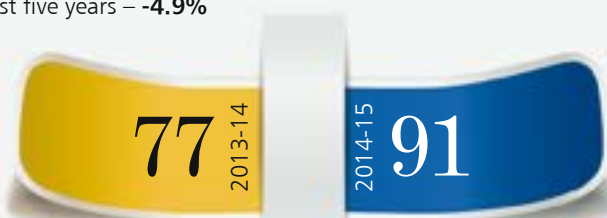
V-Mart's performance in numbers (FY 2014-15)



Inventory turn (in days)
CAGR growth in the last five years – **-4.9%**



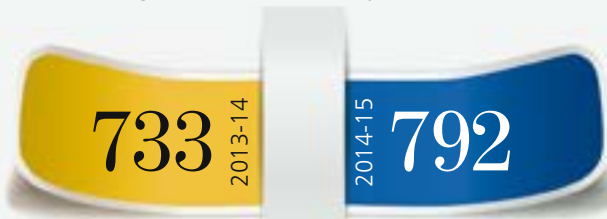
Total occupied retail space (lac square feet)
CAGR growth in the last five years – **24.71%**



Presence in Indian cities and towns
CAGR growth in the last five years – **21.32%**



Total footfalls (in million)
CAGR growth in the last five years – **21.98%**



Revenue per square foot (average in ₹)
CAGR growth in the last five years – **11.87%**

Growing urban and semi-urban presence (FY2014-15)

Cities	Metro and Tier 1	Tier 2	Tier 3
Number of stores	18	35	55
Growth of stores over FY14 (%)	38	21	17
Cities	Metro and Tier 1	Tier 2	Tier 3
Sales per square feet (₹ per annum)	9308	8849	9965

Year-on-year comparison





Stocking
right.
Selling
faster.

4.20
V-Mart's inventory
turns (x) in 2014-15

In a world marked by an increasing number of alternate shopping options, success is derived from the ability to create a corporate brand around accessibility, availability and affordability that drives footfalls, conversions and revenues.

In this scenario, the two words with which to describe V-Mart comprise 'footfall driver'.

Over the years, V-Mart strengthened footfalls through the following initiatives:

We selected to locate our presence in semi-urban destinations relatively under-served by modern organised retail, providing us with a vast catchment area.

We enriched our merchandise through a studious understanding of local preferences, emphasising the point that retail is at its most effective when we provide just what customers want as opposed to what we think they should buy.

We created a cheerful shopping ambience customised to the nature of the location and potential buyer, without imposing metro standards in Tier 2 or 3 Indian locations.

We invested prudently in local advertising, enhancing our visibility; we reinforced our brand of being a value for money-driven merchandiser.

We invested increasingly in analytics, helping us evolve our strategy in line with emerging realities.

Impact

We generated an average 178 lakhs footfalls per month during FY14-15 compared to an average of 151.7 lakhs in FY13-14, growing at a CAGR of 22% from FY10-11 to FY14-15.

Our revenue per square feet per month was almost 8% higher in FY14-15 compared to FY13-14.

Our conversion of footfall-to-sales ratio was a high 64% in FY14-15 compared to a sectoral average of around 40% (Source: As per (India retail) report of Standard Chartered Bank, 2014).

Result

V-Mart reported a 25% rise in turnover and a 49% rise in PAT for the year 2014-15, accompanied by an overall improvement in business metrics. Inventory management was more efficient with inventory turns rising from 4.15x in 2013-14 to 4.20x in 2014-15, accompanied by a shorter inventory cycle from 88 days in 2013-14 to 87 days in 2014-15. This was aided by a focused approach towards better merchandising in order to efficiently utilise limited shelf space to maximise realisations and margins. The combination of rising footfalls, increasing conversions and higher inventory turns is helping improve store-level profitability and has allowed V-Mart to increase its sales velocity, reduce working capital needs and free up cash for future business growth.



Investing
proactively.
Turning
inventories.



19

Number of new
stores opened by the
Company in 2014-15

In a business where profitability is critically linked to the speed with which shelves can be evacuated, success is derived from the knowledge of where merchandise lies across stores and superior inventory management.

At V-Mart, we strengthened our inventory management through various initiatives, resulting in an enhanced ability to minimise resident inefficiency and extract profits from within.

V-Mart commissioned an online vendor portal in January 2015 to engage with vendors on real-time sales of their stock and necessary replenishments, shrinking process time lag; the portal also showcased vendor performance (orders placed, supply responsiveness, product

quality, returns percentage, inventory status and profits generated), extending to repeat orders.

Impact

The Company rationalised warehouses from two to one during the course of the year.

Superior inventory management and warehouse consolidation helped the Company in reducing its working capital requirement.

Results

V-Mart's superior working capital management helped the Company remain relatively debt-free with sufficient liquid funds. During the year under review, V-Mart increased its store count by 19 stores and incurred capital expenditure to the extent of ₹33.47 crore, a majority of which was sourced from internal accruals. Further, V-Mart had a surplus of ₹37.37 crore as on 31st March 2015 that enabled it to fund growth from its Balance Sheet and generate increasing cash profits.



Understanding
preferences.
Retaining
customers.

792

Average sales per square foot (₹) (per month) in 2014-15.

In a world marked by an increasing focus on sustainability over one-time profitability, success is derived from the ability to graduate a consumer transaction into an ongoing relationship.

At V-Mart, we focused on graduating to a recall where the consumer thinks of us first whenever he/she has a need.

We created specific business verticals addressing the evolving demands of an aspirational India, resulting in greater focus, deeper mining of categories, matching preferences more effectively and addressing every global trend with minimal time lag.

We select to address the growing apparel needs of the country's youth segment, strengthening our brand as a contemporary retailer.

We priced at points that were not only attractively affordable from a consumer perspective

but also facilitated the quickest inventory turns, strengthening our financials.

We enriched our merchandise with a mix of 'must have' and discretionary customer needs across age groups and consumer backgrounds.

We targeted offerings at specific consumer types; in the recent past, we addressed office goers (male and female) with a Gold Line Fashion product line.

Impact

We achieved a same-store sales growth (fashion) of 6.5% and an overall same-store volume growth of 4.9%.

We strengthened average selling price by 22% in 2014-15.

Result

The understanding of customer preferences and customer retention has contributed towards higher realisations, faster inventory turns and lower costs, resulting in a 49% growth in profits from ₹25.16 crore in 2013-14 to ₹37.37 crore in 2014-15.

Effective inventory management helped moderate the value of inventory at hand from 88 days of sales to 87 days of sales and enhance sales per square foot (per month) by 8% from ₹733 to ₹792.

Besides, the reduction in inventory and the 'cash and carry' sales model allowed V-Mart to rationalise its working capital cycle while maintaining its payables cycle at around 50 days in 2014-15.

V-Mart. Preferred brand in a competitive sector.

CORPORATE PHILOSOPHY

At V-Mart, we have strengthened our product mix in line with emerging fashion trends and consumer preferences.

ROBUST GOVERNANCE

The Company's governance commitment is reflected in its rich Board of Directors, large presence of Independent Directors, professionals in a day-to-day management, defined operating structures, focused customer commitment and conservative accounting treatment.

DIVERSIFIED PRESENCE:

The Company's presence across diverse verticals (apparels, general merchandise and *kirana bazaar* – FMCG products, packaged food items, beauty and personal care, home care, staple products) has helped diversify revenues and strengthen de-risking.

CUSTOMER-DRIVEN APPROACH

The Company seeks to understand consumer preferences across respective geographic pockets, drawing extensively from its captive analytics and using this to design its merchandise mix – as opposed to a 'one shoe fits all' approach – translating into a profitability higher than the sectoral average.

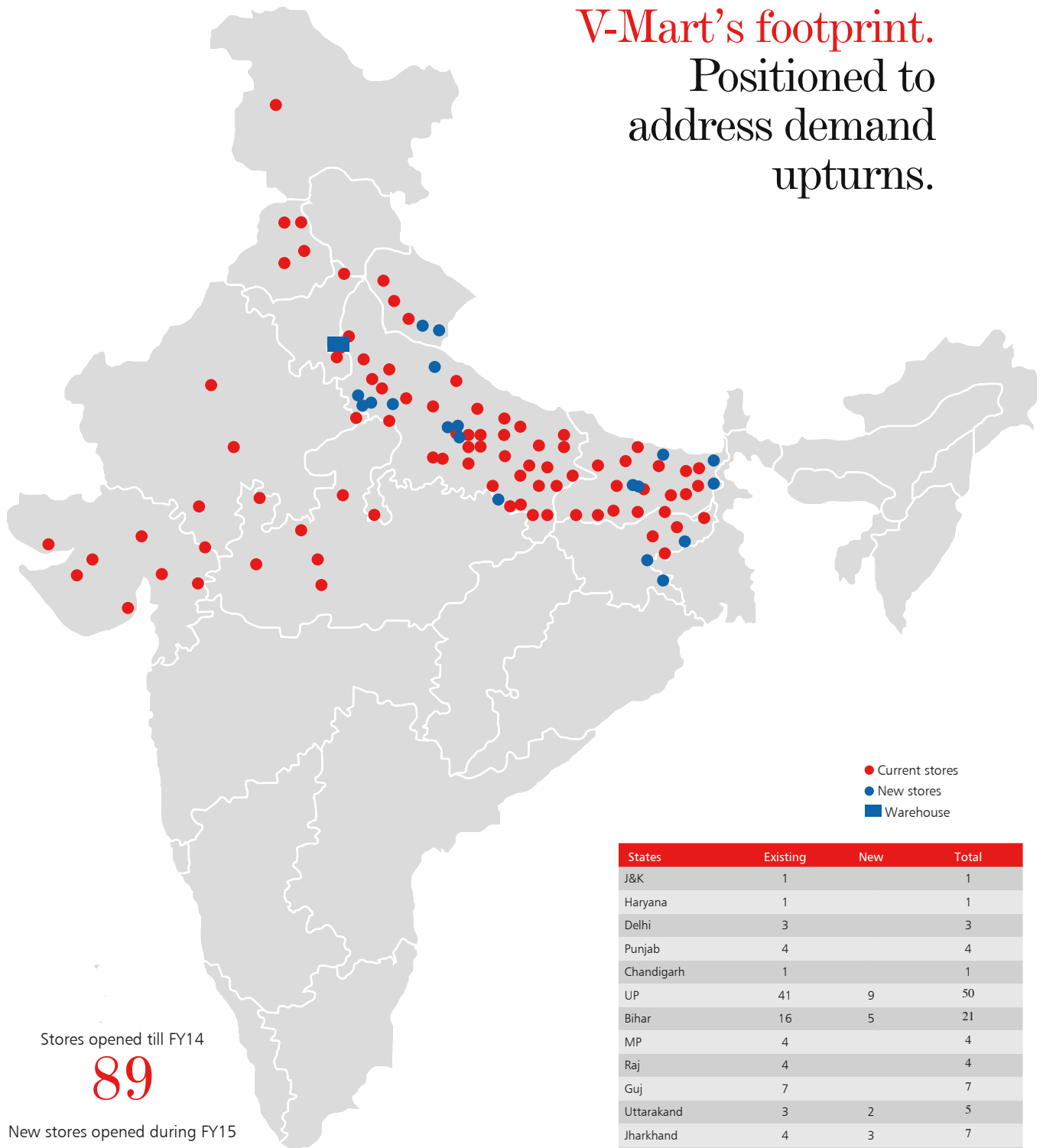
INNOVATION-LED APPROACH

The Company invests in continuous innovation (supply chain, products and service), resulting in short time-to-market cycles resulting in merchandise contemporariness.

FOCUSED EFFICIENCY

The Company invested in an online information management system to forecast demand patterns coupled with a compatible supply chain (state-of-the-art warehousing and distribution), leading to high product availability.

V-Mart's footprint.
Positioned to
address demand
upturns.



Stores opened till FY14

89

New stores opened during FY15

19

Total stores

108



The V-Mart business model

Measured growth: At V-Mart, we believe in expanding at a pace that can be sustained by our brand strength, management bandwidth and Balance Sheet. The result is measured store rollout even though the prevailing environment leaves considerable head room for organised retail.

Locational focus: We focus on Tier 2 and Tier 3 cities, marked by aspiration growth on the one hand and inadequate organised retail

presence on the other. We generally select to grow our presence in locations marked by an absence of organised retail brands, helping us create a market and carving out a dominant share.

Fiscal prudence: We embrace financial conservatism in a working capital-intensive business, growing our business out of accruals over debt. Despite a 25% CAGR growth in terms of new space addition in the last couple of years, our debt-equity was at a

comfortable 0.15 (as of 31st March 2015). The result has been profitable growth: topline grew at a CAGR of 35% over the last five years; our bottomline grew 56%; our cash and bank balance was a healthy ₹3.36 crore at the close of fiscal 2015.

Cluster-based expansion:

We accelerated store rollout contiguous (within a 100 kilometre radius) to our existing stores to leverage our brand recall.

Same-store emphasis: We focus on increased same-store sales (even as we widen our geographic footprint) through attractive offers, promotions, loyalty programmes, competitions and other activities that increase footfalls and conversion ratio. We possess more than 1.78 crore registered customers, providing us a large base for prospective cross-sale.

Merchandise efficiency: We strengthened our sourcing through longstanding vendor relationships. We are rationalising our vendor base with the objective to enhance procurement efficiencies.

Cluster-based advertising: We advertise largely in the print media which is the result of a cluster-based scientific approach – addressing the right target segment at the lowest cost.

Financial analysis

Shareholder funds: The Company had a net worth of ₹204.94 crore as on 31st March 2015, which represented a 20.44% growth over the previous year.

Financing: The Company was debt-free on a net debt basis (long-term debt minus cash/liquid funds). Long-term borrowings as on 31st March 2015 were a negligible ₹1.53 crore while short-term borrowings as on 31st March 2015 were ₹28.63 crore (₹43.34 crore in the previous year), reporting a decline following repayment through accruals. The Company was

well capitalised to finance growth from accruals.

Capital expenditure: Over three years, V-Mart invested ₹87.95 crore in fixed assets/store count while ₹33.47 crore was invested in 2014-15.

Inventory: Inventory turns increased from 4.15 times in 2013-14 to 4.20 times in 2014-15. The inventory cycle improved over three years from 94 days in 2012-13 to 87 days in 2014-15. A larger number of stores resulted in an increase in inventories by 9.25% to ₹183.20 crore in 2014-15 against ₹167.70 crore in 2013-14.

Receivables: The Company

had no receivables on the Balance Sheet as all sales are on cash basis. The combination of rising inventory turns and shortening inventory cycle led to significant cash accumulation.

Payables: Trade payables as on 31st March 2015 were ₹75.18 crore as against ₹64.71 crore in the previous year. The Company generally maintained its payables cycle taking 50 days on average in 2014-15.

Liquid funds: As at 31st March 2015, V-Mart had surplus funds of ₹25.16 crore in cash and investments.

Profit and Loss

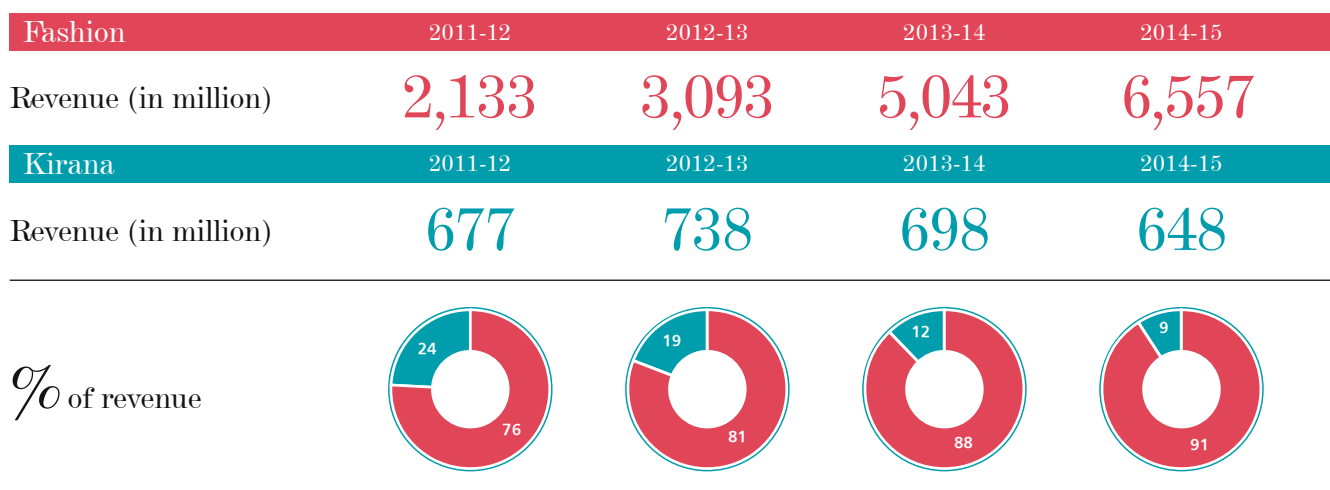
Revenues: Revenues increased by 25% from ₹574.96 crore in 2013-14 to ₹720.50 crore in 2014-15.

Margins: EBITDA margins remained constant at 9% in 2014-15 and 2013-14.

People: Employee costs rose 28% from ₹38.34 crore to ₹48.94 crore.

Others: Other expenses rose 24% from ₹80.31 crore to ₹99.58 crore on the back of rising rental costs and power/fuel costs.

Profits: PAT increased 49% from ₹25.16 crore in 2013-14 to ₹37.37 crore in 2014-15.





Management discussion and analysis

Global economy

Performance: The global economy continued to expand during 2014 at a moderate and uneven pace, as the prolonged recovery process from the global financial crisis was still saddled with unfinished post-crisis adjustments. Growth of world gross product was 2.6% in 2014, marginally better than the growth of 2.5% registered in 2013, but lower than the projected 2.9%. A salient feature for major developed countries during 2014 was the erratic movements in their quarterly GDP growth rates. For example, the US oscillated from a decline of 2.1% in the first quarter

of 2014 to an increase of 4.6% in the second quarter, while at the same time Japan swung from a growth of 6.7% to a contraction by 7.3%. Interestingly, for the year as a whole, all major developed economies in North America, Europe and developed Asia remained on an upward growth trajectory for the first time since 2011. Conversely, the economic situation in Europe was precarious, particularly in the Euro area, where growth is exceptionally weak, with some countries close to or already in recession.

Prospects: In the baseline outlook, further improvement is expected

for developed countries, with growth projected to be 2.3% for 2016. This outlook is premised on a set of assumptions and subject to a number of uncertainties and downside risks. The global economy is expected to strengthen in the following two years, with WGP projected to grow by 3.3% in 2016.

Challenges: Global recovery was hampered by some new challenges, including a number of unexpected shocks. Many developing countries and economies in transition appeared vulnerable to a tightening of global financial conditions and to

the risk of a sharper-than-expected slowdown in major emerging economies, as well as a further aggravation of geopolitical tensions and an escalation of the Ebola epidemic. Unemployment remains extremely high in many countries in the region and headline inflation is at alarmingly low levels. In the large economies, Italy is expected to contract for

the third consecutive year and France has stagnated. Growth rates in developing countries and economies in transition have become more divergent during 2014, as a sharp deceleration occurred in a number of large emerging economies, particularly in Latin America and the CIS. A number of these economies have encountered various country-

specific challenges, including structural imbalances, infrastructural bottlenecks, increased financial risks and ineffective macroeconomic management, as well as geopolitical and political tensions. Downside risks remain significant, especially in the Euro area and Japan, which have seen renewed weakness in 2014. (Source: <http://www.un.org>)

Global retail industry

The global retail landscape has transformed as emerging markets become more stable, and the consumers living in these regions evolve to become sophisticated and conscious shoppers. As per a recent study by A.T. Kearney, China ranks first as its retail market has grown impressively, toppling the US. In fact, it is soon slated to become the world's largest market and Asia in totality outpaced other emerging markets, to emerge as the regional winner for 2015, even though it had slowed in growth over the last few years.

A major theme running through this year is that luxury retail continues to show strong growth and is serving as the impetus for growth across several sectors. In Asia, despite considerable political and economic turbulence, luxury brands continue to enter markets at a steady pace.

Across the world, the

past year also brought a continuation of the impressive growth of retail e-commerce. Sales increased more than 20% worldwide in 2014 to almost \$840 billion. Perhaps the biggest expression of this boom was in the stock markets, which gave e-commerce companies skyrocketing valuations. This was highlighted by Alibaba's record-setting \$25 billion initial public offering in September, which valued the China-based company at about US\$170 billion. Overall, Asia's e-commerce market size is now US\$525 billion, surpassing North America which generates US\$483 billion in online sales.

Prospects: By 2022, China's retail market is expected to be double that of the United States and grow to \$8 trillion, according to a new report by A.T. Kearney. Leading this growth should be the luxury sector and e-commerce. Reports claim that Asia's e-commerce retail

sales may grow as much as 25% per year. Luxury is to remain a 'bright spot' due to wealthy individuals being less vulnerable to economic troubles than the general public, as well as the development of malls catering to consumers with disposable incomes who are increasingly mobile. With a strong GDP growth and an expanding middle class, Sub-Saharan Africa is a source of great potential for retailers in this segment.

Challenges: With each market, a new challenge is presented due to the unique economic climate and consumer patterns which force retailers to curate consumer experiences based on region, rather than take a global approach. Fundamental infrastructure challenges — logistics and transportation in Brazil, government regulations in Argentina — may hinder e-commerce growth in the future.



\$840

Sales (billion)
increased more than
20% worldwide in
2014.



\$950

(in billion) projected market value of Indian retail sector by 2018.

Indian economy

The economy of India is the seventh largest in the world by nominal GDP and the third largest by purchasing power parity. The full-year GDP growth for the fiscal year ending in March 2015 settled at 7.3%, up from 6.9% in 2013-14, a tad lower than an official estimate of 7.4%.

India overtook China to become the world's fastest growing economy by clocking 7.5% GDP for the March quarter, outstripping China's 7% growth in the same quarter and beating a *Reuter's* poll of economists who forecast 7.3% growth.

Agriculture grew at 0.2% in 2014-15 as against 3.7% in the previous fiscal, while mining and quarrying grew a mere 2.4% compared to 5.4% a year ago. In contrast, trade, hotels, transport, communication and services relating to broadcasting grew at 10.7% while financial, real estate and professional services grew at 11.5%.

India's current account deficit shrunk to some 1.3% of GDP and could well narrow further to 1% of GDP next fiscal, meaning that capital inflows would be more than that needed to finance the current account

deficit, adding to reserves, putting upward pressure on the rupee and on interest rates, when RBI buys dollars to stem appreciation and then sells bonds to sterilise the rupees injected in this fashion.

Foreign direct investment is likely to have hit a high of \$34.9 billion in financial year 2015, a massive 61.6% from \$21.6 billion in the previous fiscal, according to a report by Japanese brokerage firm, Nomura. According to the report, the FY2015 inflows are 1.7% of the GDP, up from 1.1% in the previous year.

Indian retail industry

The Indian retail industry has presently emerged as one of the most dynamic and fast paced industries as several players have started to enter the market. It accounts for over 10% of the country's aggregate GDP and around 8% of the employment in India. The country is today the fifth largest global destination in the world for retail. In market potential, India ranks seventh (after China, US, Canada, UK, Brazil and Germany).

The country ranks fourth among the surveyed 30 countries in terms of global retail development. The current market size of Indian retail industry is about US\$ 520 billion (*Source: IBEF*). Retail growth of 14% to 15% per year is expected through

2015. By 2018, the Indian retail sector is likely to grow at a CAGR of 13% to reach a size of US\$ 950 billion.

The sector is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in Tier 2 and Tier 3 centres. Healthy economic growth, changing demographic profile, increasing disposable incomes, changing consumer tastes and preferences are other factors driving growth in the organised retail market in India. Increasing participation from foreign and private players has given a boost to the retail infrastructure. India's price competitiveness attracts large retail players to use it as a sourcing base.

The sector can be broadly divided into two segments: value retailing, which is typically a low margin-high volume business (primarily food and groceries) and lifestyle retailing, a high margin-low volume business (apparel, footwear, among others). The sector is further divided into various categories, depending on the types of products offered. Food dominates market consumption with 60% share, followed by fashion. The relatively low contribution of other categories indicates an opportunity for organised retail growth in these segments, especially with India being one of the world's youngest markets.

Year 2014-15 at a glance

India had the highest number of retail outlets in the world at over 13 million retail outlets in 2014. It also has the highest number of outlets (11,903) per million inhabitants. The various major retail formats in India include departmental stores, hypermarkets, supermarkets/

convenience stores, specialty stores and 'cash and carry' stores.

The retail spending in the top seven Indian cities of India currently amounts to ₹3.58 trillion (US\$ 57.56 billion), with organised retail penetration at 19% in 2014.

The Indian retail industry in the single brand segment has received foreign direct investment equity inflows to the tune of US\$ 275.38 million in the period April 2000-January 2015, according to the Department of Industrial Policies and Promotion.

Growth drivers

Increasing discounts: A significant trend emerging in the retail sector is the increase in sales during discount seasons. This is prompting retailers to start discounts earlier and have longer on-sale seasons.

Luxury retailing: Luxury retailing is gaining importance in India. This includes fragrances, gourmet, accessories, and jewellery among many others. The Indian consumer is ready to splurge on luxury items and is increasingly doing so. The Indian luxury market is expected to grow at a rate of 25% per annum. This will make India the 12th largest luxury retail market in the world.

Rural retailing: Rural retailing is another area of prime focus for many

retailers. Rural India accounts for two-fifths of the total consumption in India. Thus, the industry players do not want to be left out and are devising strategies especially for the rural consumer.

Greater urbanisation:

Higher brand consciousness, increasing number of HNIs and changing consumer preferences are all results of the ongoing urbanisation spurt that works as a major catalyst to boost the retail industry. India's consumer class is estimated to grow nearly 12-fold – from 50 million at present – to 583 million by 2025, with more than 23 million people likely to be listed among the world's wealthiest citizens.

Rising expenditures:

An increase in the young working population,

especially women, with rising incomes and increasing purchasing power fuel the sector. Consumer expenditure is estimated to be US\$3.6 trillion by 2020 vis-à-vis US\$977 billion in 2010, at a CAGR of 13.9%.

Easier loans: With the emergence of concepts like quick and easy loans, EMIs, loans through credit cards and loans over phones, it has become easier for the Indian consumer to buy out-of-budget products.

Development of real

estate: Real estate development in the country, for instance, the construction of mega malls and shopping malls, is augmenting the growth of organised retail business.



Consumer expenditure is estimated to be US\$3.6 trillion by 2020 vis-à-vis US\$977 billion in 2010, at a CAGR of 13.9%.

Opportunities

FDI reforms: The Government has introduced reforms to attract FDI and to boost investor sentiment. Government has provided 51% FDI in multi-brand retail.

Rising consumer confidence: A recent report by Nielsen puts India on top of the consumer confidence index – there are growing disposable incomes coupled

with optimism about the future.

Exploitation by global

players: Several corporates have planned to exploit the



The Company's revenue increased by 25% from ₹574.95 crore in FY2013-14 to ₹720.50 crore in FY2014-15.

opportunities in the Indian retail space, such as Reliance Industries Ltd (RIL), which has lined up capital expenditure of ₹1.8 trillion (US\$ 28.94 billion) for the next three years for its petrochemicals, telecom and retail ventures.

Goods and Service Tax:

The Government of India is also in the final phase of talks with the states for the Goods and Services Tax Bill to be implemented. This Bill is seen as a key to facilitating industrial growth and improving the business climate in the country.

SETU scheme: Allocation of ₹1,000 crore to create a Self-Employment and Talent Utilisation scheme will boost young entrepreneurs.

Reduction in excise duty: 50% reduction in excise duty on leather footwear of retail sale price exceeding the value

of ₹1,000 is among one of the major announcements of this budget.

Boost to SME sector: The Government's announcement about MUDRA bank with a ₹20,000 crore corpus will give a significant boost to the SME sector and small entrepreneurs.

Reduction in tax for technical services: A big push to technology has been given by the government with its decision to reduce the tax on royalty and fees for technical services from 25% to 10% apart from setting up a 'startup fund' for technology based startups with an initial corpus of ₹1,000 crore.

Cashless economy: Incentivising credit or debit card transactions to move towards a cashless economy, new laws to curb

black money and focus on skill development across ministries are other areas from which the retail industry will indirectly benefit.

Ease of doing business:

The Government's continued focus on ease of doing business will help the retail industry tremendously. This will also encourage State Governments to bring in similar provisions and help in driving investment-led growth.

Reduction in custom and excise duty to support 'Make in India':

The budget supports the 'Make in India' initiative through reduction in custom duty on certain inputs to address the problem of duty inversion and reduce the cost of raw materials, coming as a breath of fresh air for the retail industry.

Financial performance

The Company's revenue increased 25% from ₹574.95 crore in FY2013-14 to ₹720.50 crore in FY2014-15. The operating

profit increased 25% from ₹52.96 crore in FY2013-14 to ₹66.03 crore in FY2014-15. The Company posted a PAT of ₹37.37 crore during

the current financial year as against ₹25.16 crore during the previous fiscal.

Outlook

Retail industry in India is expected to grow to US\$ 950 billion from approximately US\$ 520 billion in 2015 by 2018, registering a CAGR of 8.9% by 2018. The online retail market is expected to grow from US\$ 3.1 billion to US\$ 22 billion (from 10% to more than 15% of the organised retail market)

during FY13-FY18.

Also, organised retail is expected to grow at a rate of 25% per annum.

While the overall retail market will grow at 12% per annum, modern trade will grow twice as fast at 20% per annum, and traditional trade at 10%, according to a

report by Boston Consulting Group and Retailers Association of India.

India is expected to become the world's fastest growing e-commerce market on the back of robust investment activity in the sector and the rapid increase in internet users. It is expected that

India's e-commerce market will grow from US\$ 2.9 billion in 2013 to over US\$ 100 billion by 2020.

More Indians are slated

to start shopping online, with a projection of 200 million new consumers by 2017, according to a report released last year by Accel India.

Cumulative FDI inflow in retail for April 2000–October 2014 was US\$274.6 million; this is expected to increase when increasing FDI in multi-brand retail is approved.

Risk management and internal control

Effective governance comprises competent management, implementation of standardised policies and processes, appropriate audit programme and comprehensive risk monitoring.

The Company formulated a comprehensive risk management framework with a standardised definition of internal controls. It provided a framework for risk management and regulatory compliance, which required risk assessments and related policies, a control-based environment, information and communication

procedures and an integrated monitoring mechanism.

The Company strengthened its system of controls for reporting various transactions, ensuring operational efficiency and compliance with relevant regulations commensurate with the size and nature of its business. These internal control procedures ensured the efficient use and protection of resources, compliance with policies, procedures and statutes as well as accuracy and promptness of financial reporting.

All operating parameters

were monitored and controlled, with material deviations from the annual planning and budgeting and business outlook including capital expenditure reported to the Board on a quarterly basis. Reports of internal auditors were reviewed by the Audit Committee and corrective measures were taken to catalyse improvements in systems and procedures. The Board recognised the work of the auditors as an independent check on the information received from the management related to the performance of the Company.



\$100

(in billion) Expected Indian e-commerce market size by 2020.

Cautionary statement

This discussion contains certain forward-looking statements based on assumptions and current situations and expectations. The various risks and uncertainties associated

thereto could cause the actual results to differ materially from those projected in forward-looking statements. Market data and product information contained in this report is

gathered from published and unpublished reports and their accuracy cannot be assured. The management reserves every right to revisit any predictive statement as may be deemed fit.

Creating motivated and highly engaged teams

Our teams focus on making everyday experiences special for our millions

of customers, giving them enough reasons to come back with higher frequencies. Hence, we only recruit the most people-friendly individuals, invest prudently in honing their

communication skills. We lay a keen emphasis on growing a talented leadership pipeline and recognising and rewarding hard work, commitment and career growth.

Corporate social responsibility at V-Mart

Overview

V-Mart is committed to conduct its business in a manner which enables the creation and distribution of wealth for the betterment of all its stakeholders, internal as well as external, through the implementation and integration of ethical systems and sustainable

management practices. As a means to this end, V-Mart has struck a delicate balance between the achievement of organisational and societal goals. The Company emphasises on immaculate transparency when it comes to its internal operations, activities and processes as

well as all those initiatives facilitating capacity building, empowerment of communities through education and healthcare, inclusive socio-economic growth, environmental conservation and promotion of energy-efficient technologies.

V-Mart enjoys a visible presence in Tier-II and Tier-III locations through its 108 outlets across 12 states. The CSR activities that V-Mart undertakes focus on communities residing in the vicinity of its outlets.

Transparency, fairness and accountability

V-Mart has always followed the highest levels of disclosure with all its

stakeholders. In addition to ensuring stringent compliance with the laws of

the land, it has also put in place specific guidelines to ensure accountability, such

as a Code of Conduct and a whistleblower policy.

Environmental consciousness

In a bid to provide efficient services while simultaneously protecting the environment, V-Mart has encouraged the use of electronic media for communication to reduce paper consumption. V-Mart is also planning to recycle

used packaging material. V-Mart undertook the Go Green initiative in partnership with Jaagruti, an NGO that focuses on cleaning up the environment. They were asked to recycle the used

paper at V-Mart offices in the form of eco-friendly notebooks, writing pads, among orders.

Since the start of its Waste Paper Recycling Initiative in August 2011, Jaagruti

has worked with over 100 well-respected institutions in Delhi and NCR including the US Embassy, National Crime Records Bureau, Indian Oil Corporation Limited, Delhi International Airport Limited, among others.

Energy conservation

The Company is looking for alternative sources of

energy that can help replace traditional ones like diesel-

powered gensets with hydro, solar or thermal power to

guarantee the efficient use of renewable resources.

Social upliftment

Through its presence in Tier-II and Tier-III locations in the country, V-Mart has generated gainful employment for countless

individuals and provided best-in-class products at reasonable prices. Subsequently, the Company has played a crucial role

in enabling the economic development of these often overlooked geographies. V-Mart has joined hands with an NGO to help differently-

abled people. The Company also organises periodic health checkup, eye checkup and blood donation camps for the general public.

Our promoters



① Lalit Agarwal ② Madan Gopal Agarwal ③ Hemant Agarwal

Senior management personnel



Mr. Snehal Shah
*Senior Vice President
(Operations & Marketing)*



Mr. Deepak Sharma
Chief Financial Officer



**Mr. Venugopal
Konchada**
Vice President (Operations)



Mr. Abhishek Jatia
*Vice President (Sourcing &
Merchandising)*



Mr. Ramesh Agarwal
*Vice President - Buying &
Merchandising (Kirana)*



Mr. Vineet Khanna
*Vice President
(Planning & Sourcing)*



Mr. M. Srinivasan
*Vice President (SCM &
Planning)*



Ms. Anjali Goel
General Manager (HR)



Mr. Dinesh Srivastava
*General Manager
(Information Technology)*



Mr. Vikash Beel
*General Manager (Buying
& Merchandising)*

Corporate information

Board of Directors

1. Lalit Agarwal (*Chairman & Managing Director*)
2. Madan Gopal Agarwal (*Whole-time Director*)
3. Hemant Agarwal (*Non- Executive Director*)
4. Aakash Moondhra (*Non Executive, Independent*)
5. Murli Ramachandran (*Non Executive, Independent*)
6. Sonal Mattoo (*Non Executive, Independent*)

Board Committees

Audit Committee

1. Aakash Moondhra, *Chairman*
2. Murli Ramachandran, *Member*
3. Sonal Mattoo, *Member*

Nomination & Remuneration Committee

1. Murli Ramachandran, *Chairman*
2. Aakash Moondhra, *Member*
3. Sonal Mattoo, *Member*

Stakeholders' Relationship Committee

1. Sonal Mattoo, *Chairperson*
2. Lalit Agarwal, *Member*
3. Madan Gopal Agarwal, *Member*
4. Hemant Agarwal, *Member*

Corporate Social Responsibility (CSR) Committee

1. Lalit Agarwal, *Chairman*
2. Madan Gopal Agarwal, *Member*
3. Aakash Moondhra, *Member*
4. Sonal Mattoo, *Member*

Company Secretary & Compliance Officer

Mr. Sudhir Kumar

Statutory Auditors

Walker Chandiok & Co. LLP
L 41, Connaught Circus, New Delhi – 110001
Tel: +91 11 4278 7070, Fax: +91 11 4278 7071
Website: www.grantthornton.in
Contact Person: Sumit Mahajan, Partner
Membership No. 504822
Firm registration No: 001076N/N500013

Internal Auditors

Ernst & Young LLP
Golf View Corporate Tower – B,
Sector – 42, Sector Road, Gurgaon – 122002
Tel: +91 124 4644000, Fax: +91 124 4644050
Contact person: Sanjesh Thakur, Partner

Bankers

State Bank of India
ICICI Bank
Deutsche Bank
HDFC Bank

Registered Office

V-Mart Retail Limited
610-611, Guru Ram Dass Nagar,
Main Market,
Opp. SBI Bank, Laxmi Nagar,
New Delhi – 110092

Corporate Office

Plot No. 862, Udyog Vihar, Industrial Area,
Phase – V, Gurgaon – 122016, India
Tel: +91 124 - 4640030
Fax: +91 124 - 4640046
Email: info@vmart.co.in
Website: www.vmart.co.in
CIN - L51909DL2002PLC163727

Warehouse

Bilaspur, Haryana

Registrar & Share Transfer Agent

M/s Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial District, Nanakramguda,
Serilingampally Hyderabad – 500 032
Phone No.040-67161605
Toll Free: 180 0345 4001
Email: support@karvy.com
Website: www.karvy.com

Senior Management Personnel

Mr. Snehal Shah, *Sr. Vice President (Operations & Marketing)*
Mr. Deepak Sharma, *Chief Financial Officer*
Mr. Venugopal Konchada, *Vice President (Operations)*
Mr. Abhishek Jatia, *Vice President (Sourcing & Merchandising)*
Mr. Ramesh Agarwal, *Vice President - Buying and Merchandising (Kirana)*
Mr. Vineet Khanna, *Vice President (Planning & Buying)*
Mr. M. Srinivasan – *Vice President (SCM & Planning)*
Ms. Anjali Goel, *General Manager (HR)*
Mr. Dinesh Srivastava, *General Manager (Information Technology)*
Mr. Vikash Beel, *General Manager (Buying and Merchandising)*



V-MART RETAIL LIMITED

(CIN - L51909DL2002PLC163727)

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

Corp. Office: Plot No. 862, Udyog Vihar, Industrial Area, Phase – V, Gurgaon – 122016 (Haryana)

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

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of the Company will be held on 29th September, 2015 at 9:30 am at Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sector -12, R. K. Puram, New Delhi - 110022 to transact the following Business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the statement of Profit & Loss Account for the financial year ended 31st March, 2015 along with the Reports of the Auditors and Directors thereon.
2. To declare a dividend of ₹1.5/- per equity share for the financial year 2014-15.
3. To appoint a Director in place of Mr. Madan Gopal Agarwal (holding DIN 02249947) who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants (Firm Reg. No.: 001076N/ N500013) as Statutory Auditors of the Company (already appointed for 3 consecutive years by the shareholders in the 12th Annual General Meeting held on 23rd September, 2014 till the conclusion of 15th Annual General Meeting to be held in 2017) to hold the office from the conclusion of this Annual General Meeting untill the conclusion of forthcoming Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To appoint Ms. Sonal Mattoo as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution :

“RESOLVED THAT, pursuant to Section 149, 152 read with Schedule IV of the Companies Act 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions of the Companies Act, 2013, as amended

up to date and Clause 49 of the Listing Agreement, Ms. Sonal Mattoo (holding DIN - 00106795) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22nd January, 2015 and who holds office till the date of ensuing AGM, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Sonal Mattoo as a candidate for the office of a director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) years from the date of the 13th Annual General Meeting of the Company for a term upto the conclusion of 18th Annual General Meeting of the Company in the calendar year 2020, not liable to retire by rotation”.

6. To appoint Mr. Murli Ramachandran as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution :

“RESOLVED THAT, pursuant to Section 149, 152 read with Schedule IV of the Companies Act 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions of the Companies Act, 2013, as amended up to date and Clause 49 of the Listing Agreement, Mr. Murli Ramachandran (holding DIN- 00264018) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22nd January, 2015 and who holds office till the date of ensuing AGM, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Murli Ramachandran as a candidate for the office of a director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) years from the date of the 13th Annual General Meeting of the Company for a

term upto the conclusion of 18th Annual General Meeting of the Company in the calendar year 2020, not liable to retire by rotation”.

7. To appoint Mr. Hemant Agarwal as a Director and in this regard to consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution :

“RESOLVED THAT Mr. Hemant Agarwal (holding DIN-02242019), who was appointed as an Additional Director with effect from 22nd January, 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director, be and is hereby appointed as a Director in the capacity of Non Executive Director of the Company.”

8. To consider/approve payment of Commission to Non-Executive Directors and in this regard if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded to pay profit related commission to Non- Executive Directors including Independent Directors at the rate of 1% of Net Profit of the Company for a period of five financial years commencing from 1st April, 2015.

RESOLVED FURTHER THAT the Commission payable to Non-Executive Directors including Independent Directors shall be divided amongst them in such a manner as recommended by the Nomination & Remuneration Committee and by the Board, from time to time pursuant to the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Nomination and Remuneration Committee) be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to above resolution.”

9. To consider and amend the V-Mart ESOP Scheme, 2012 and in this regard to consider and if thought fit, to pass with or without modification the following resolution as Special Resolution :

“RESOLVED THAT in accordance with the provisions of the Securities and Exchange Board of India (Share Based

Employee Benefits) Regulations, 2014, as amended up to date (“the Guidelines”) (including any statutory modification(s) or re-enactment of the Act or the guidelines for the time being in force), and pursuant to the applicable provisions of Companies Act, 2013, as amended up to date, other applicable rules, regulations, laws and subject to such other necessary permissions/approvals, as may be required from the appropriate authorities, the company do hereby amend the existing “V-Mart ESOP Scheme, 2012” (hereinafter may be referred as the “Scheme or the Plan”) as per details/disclosure given below and in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board”), which term shall be deemed to include the Nomination & Remuneration Committee as may (hereinafter referred/ called as the “Committee”) be and is hereby authorized to administer the Scheme and further to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in employment of the Company, including Directors of the Company, specified stock options each of which would upon exercise, be converted into the Equity Shares of the Company, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Committee.

RESOLVED FURTHER THAT the Scheme continued be administered by the Nomination & Remuneration Committee (as may be called/ referred), subject to the overall superintendence and control of the Board.

RESOLVED FURTHER THAT the said Equity Shares may be allotted to such employees / Directors, upon exercise of the stock options and in accordance with the Scheme/Plan and the Guidelines.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted by the Company under the Scheme / Plan upon exercise of the stock options shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Company shall confirm to the accounting policies prescribed from time to time under the Guidelines as well as the Accounting Standards.

RESOLVED FURTHER THAT the Board (which includes the Nomination & Remuneration Committee of the Board) be and is hereby authorised to take necessary steps for in-principle and final listing of the Equity Shares to be allotted upon exercise of the stock options, on the stock exchanges where the Company’s shares are proposed to be listed as per the terms and conditions of the listing agreement with the concerned stock exchange and the applicable Guidelines, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment or listing of the Equity Shares allotted upon exercise of the stock options under the Plan, the Board (which includes Nomination & Remuneration or other Committee of the Board as may be called/referred) be and is hereby authorised on behalf of the Company to evolve, decide upon and bring in to effect and make any modifications, changes, variations, alterations or revisions in the said Scheme/Plan or to suspend, withdraw or revive the Plan from time to time as may be required pursuant to the applicable regulations, notification rules, issued by Securities and Exchange Board of India (SEBI) or any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

10. To approve the revision/variation in the remuneration of Mr. Lalit Agarwal, Managing Director and in this regard to consider and if thought fit, to pass with or without modification the following resolution as Special Resolution:

“**RESOLVED THAT** in accordance with provisions of Section 197 read with Schedule V and the applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, rules if any, of the Companies Act, 2013, and any other laws, regulations prevailing for the time being in force, and other statutory approvals, as may be required, the Company do hereby approves the revision/ variation in the remuneration of Mr. Lalit Agarwal, (holding DIN 00900900) Managing Director of the Company, designated as Chairman & Managing Director, with effect from 1st April, 2015 till his remaining tenure i.e. upto 31st May, 2017 as Managing Director of the Company as approved and recommended by the Nomination & Remuneration Committee and noted hereunder :

A. Salary :

Basic salary of ₹62,10,000/- per annum.

B. Commission :

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

C. Perquisites :

In addition to salary and commission, the Managing Director shall be entitled to perquisites and allowances,

Company provided residential facility/house, in terms and accordance with the Management Regulations of the Company, as applicable and in force from time to time and as per employment agreement dated 30th May, 2012.

D. Other terms and conditions :

In the event of absence or inadequacy of profits in any financial year, the Managing Director shall be entitled to the minimum remuneration as mentioned herein above without any variation except that no commission shall be payable.

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

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

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things as may be necessary in this regard”.

11. To approve the revision/variation in the remuneration of Mr. Madan Gopal Agarwal, Whole-time Director and in this regard to consider and if thought fit, to pass with or without modification the following resolution as Special Resolution :

“**RESOLVED THAT** in accordance with provisions of Section 197, read with Schedule V and the applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, rules if any, of the Companies Act, 2013, and any other laws, regulations prevailing for the time being in force, and subject to other statutory approvals, as may be required, the Company do hereby approves the revision/ variation in the remuneration of Mr. Madan Gopal Agarwal, (holding DIN 02249947) Whole-time Director, with effect from 1st April, 2015 till his

remaining tenure i.e. upto 31st May, 2017 as Whole-time Director of the Company as approved and recommended by the Nomination & Remuneration Committee and noted hereunder :

A. Salary :

Basic salary of ₹20,70,000/- per annum.

B. Commission :

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

C. Perquisites :

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

D. Other terms and conditions :

In the event of absence or inadequacy of profits in any financial year, the Whole-time Director shall be entitled to the minimum remuneration as mentioned herein above without any variation except that no commission shall be payable.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the above terms and conditions so as not to exceed the limits

specified in Schedule V to the Companies Act, 2013 in case the Company has inadequate profits or within the limits approved by the Central Government, if required, as the case may be.

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

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things as may be necessary in this regard".

By order of the Board
For V-Mart Retail Limited

Sudhir Kumar

Company Secretary

M. No. ACS 25125

Place : Gurgaon

Date : 30th July, 2015

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Duly completed, signed and stamped Proxy Form should be deposited to the Registered Office of the Company, not less than FORTY EIGHT (48) HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority, as applicable, issued by the member organization.
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.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to the Special Businesses at the meeting, is annexed hereto.
3. The details of Directors seeking appointment/re-appointment, in terms of Clause 49 of the Listing Agreement and Secretarial Standard - 2, are annexed hereto and form part of the Notice.
4. Each member present at meeting shall be entitled to one vote for every equity share held.
5. The Company has notified closure of Register of Members and Share Transfer Books from Wednesday 23rd September, 2015 to Tuesday 29th September, 2015 (both days inclusive) in connection with Annual General Meeting and for the purpose of Dividend.
6. The Board of Directors of the Company at their Meeting held on 4th May, 2015 has recommended a dividend of ₹1.50/- per Equity Share as final dividend for the financial year 2014-2015. The dividend, if approved by the Shareholders at the Annual General Meeting, shall be paid

to those members/beneficial owners whose names appear on the register of members/depository records as on 22nd September, 2015 as under :

- (i) to all shareholders in respect of equity shares held in electronic form, as per the data made available by the National Securities Depository Limited and Central Depository Services (India) Limited, at the close of business hours on 22nd September, 2015; and
 - (ii) to all shareholders in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the Close of business hours on 22nd September, 2015.
7. Members are requested to send all communications relating to shares (Physical & Electronic Mode) to our Registrar & Share Transfer Agent (R&T Agent) at the following address:
Karvy Computershare Private Limited
"Karvy Selenium Tower- B", Plot No. 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally Hyderabad – 500 032
Phone No. +91-40-67162222, 33211000
Toll Free: 1800345 4001
Fax No. +91-40-2331-1968
E-mail: support@karvy.com
website: www.karvy.com
 8. Members/Proxies are requested to bring their attendance slip duly filled in to the Meeting.

In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 9. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and Password along with a copy of this Notice to the members, separately.
 10. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
 11. In terms of Section 152 of the Companies Act, 2013, Mr. Madan Gopal Agarwal (DIN 02249947), Director, retire by rotation at the Meeting and being eligible, offer himself for re-appointment. The Board of Directors of the Company recommends his re-appointment.
 12. Relevant documents referred to in the accompanying

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

13. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agent, Karvy Computershare Private Limited ("Karvy") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
14. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy.
15. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agent.
16. Members holdings Shares in Physical form may write to Company's Share Transfer Agents / the Company for any change in their address and bank mandates; members having shares in Electronic Form may inform the same to their depository participants immediately so as to enable the Company to dispatch dividend warrants at their correct addresses.
17. Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting.
18. Members desirous of getting any information on the accounts of the Company are requested to forward their queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
19. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person

to whom all rights in the shares shall vest in the event of death of sole holder or all joint holders. Member(s) holding shares in demat form may contact their respective DP for availing this facility.

20. Electronic copy of the Annual Report for the financial year 2014-15 along with Notice for 13th Annual General Meeting is being sent to all those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The Annual Report is also available on the website of the Company, i.e. www.vmart.co.in. For members who have not registered their email address, physical copies of the Annual Report and Notice for the Annual General Meeting is being sent in the permitted mode.
21. Electronic copy of the Notice for 13th Annual General Meeting of the Company inter alia indicating the process and the manner of e-voting along with Attendance Slip and Proxy Form is being sent to all those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The Notice of the 13th Annual General Meeting of the Company is also available on the website of the Company, i.e. www.vmart.co.in. For members who have not registered their email address, physical copies of the Notice for the 13th Annual General Meeting of the Company inter alia indicating the process and the manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
22. In terms of the Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013 issued by the Securities and Exchange Board of India, Listed Companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS)/ RECS (Regional ECS) / NECS (National ECS)/ NEFT etc. for making cash payments like dividend etc. to the members.
23. Members are requested:
 - (a) To bring Attendance slip duly completed and signed at the meeting and not to carry brief case or bag inside the meeting venue for security reasons; and
 - (b) To quote their Folio No. / DP-ID – Client ID in all correspondence.

Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. In case of members holding securities in physical form are requested to send a request to Karvy Computershare Private Limited or the Company Secretary of the Company at

Plot No.862, Udyog Vihar, Industrial Area, Phase – V, Gurgaon – 122016.

24. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy.
25. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio.
26. Non-Resident Indian Members are requested to inform Karvy, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
27. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
28. Members are informed that the unpaid dividend amount remaining unclaimed relating to the financial year 2014-15 onwards can be claimed from R & T Agent after submission of necessary information and documents. Unclaimed and unpaid dividend shall become due for transfer to the Investor Education and Protection Fund established by the Central Government in terms of Section 124(5) of the Companies Act, 2013 on expiry of seven years from the date of its transfer to unpaid dividend account by the Company.

Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions of Companies Act, 2013 and pursuant to the provisions of Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 13th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy Computershare Private Limited.

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

optional.

The E-voting rights of the shareholders/beneficiary owners shall be reckoned on the equity shares held by them as on 22nd September, 2015 being the Cut-off date for the purpose. Shareholders of the Company holding shares either in physical or in dematerialized form, as on the Cut-off date, may cast their votes electronically. The members as on the cut off date viz. 22nd September, 2015, shall only be eligible to vote on the resolution mentioned in Notice of AGM through e-voting as well as at the AGM.

The instructions for e-voting are as under:

1. To use the following URL for e-voting:
<https://evoting.karvy.com>
2. Enter the login credentials i.e., User Id and Password mentioned in the e-voting sheet attached along with this communication. Your Folio No/DP ID Client ID will be your user ID.
3. After entering the details appropriately, click on LOGIN.
4. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the EVENT i.e., V-Mart.
7. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / "AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may also choose the option "ABSTAIN" in case you wish to abstain from voting.
8. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
9. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
10. Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory (ies) who are authorised to vote, to the Scrutinizer through e-mail scrutinizer.vmart@gmail.com.
11. The Portal will remain open for voting from: 9.00 a.m. on 26th September, 2015 to 5.00 p.m. on 28th September 2015 (both days inclusive).
12. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or send email to evoting@karvy.com or contact Mr. R. Chandra Sekhar of Karvy Computershare Pvt. Ltd. at 040-67161602 or at 1800 3454001 (toll free).
13. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
14. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
15. The voting rights of shareholders shall be in proportion to their shares of the paid equity share capital of the company as on cut-off date (record date) of 22nd September, 2015.
16. The scrutinizer shall within the period not exceeding three (3) working days from the conclusion of e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in Favour or Against, if any, forthwith to the Chairman to the Company.
17. The members who have acquired shares after the dispatch of notice of the Annual General Meeting and holding shares as on cut off date i.e. 22nd September, 2015, may obtain the e-voting user id and password by sending a request at e-voting@karvy.com.
18. The Result of E-Voting shall be declared on or after the AGM of the Company. The Result declared along with the Scrutinizer's Report shall be placed on the Company's website (www.vmart.co.in) and on the website of Karvy within two (2) days of passing of resolution at the AGM of the Company and communicated to the Stock Exchange.
19. Kindly note that once you have cast your vote you cannot modify or vote on poll at AGM. However, you can attend the meeting and participate in discussions, if any.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and as per Rule 18 of the Companies (Management and Administration) Rules, 2014 allowed companies to send any notice/document (including Annual Report) to its members via e-mail. To support this green initiative of the Government in letter and spirit, the Company has taken an initiative to collect e-mail addresses of all its members.

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

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

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

Item No. 5 & 6

Pursuant to the provisions of section 149 of the Act, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock exchanges, appointed Mr. Murli Ramachandran and Ms. Sonal Mattoo, as Independent Directors, in compliance with the requirements of the clause.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Ms. Sonal Mattoo & Mr. Murli Ramachandran be appointed as Independent Directors of the Company. The appointment of Mr. Murli Ramachandran and Ms. Sonal Mattoo shall be effective upon approval by the members in the ensuing AGM.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Murli Ramachandran and Ms. Sonal Mattoo for the office of Directors of the Company.

Mr. Murli Ramachandran and Ms. Sonal Mattoo are not disqualified from being appointed as a Directors in terms of Section 164 of the Act and has given their consent to act as Directors.

The Company has received a declaration from Mr. Murli Ramachandran and Ms. Sonal Mattoo that they meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Murli Ramachandran and Ms. Sonal Mattoo fulfills the conditions for their appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Murli Ramachandran and Ms. Sonal Mattoo are independent of the management and possesses appropriate skills, experience and knowledge.

Brief Profiles of the Independent Directors to be appointed are given below:

Mr. Murli Ramachandran is a Management Consultant and CXO Coach specializing in transformation & strategy, performance improvement, leadership development and change management. He has about 30 years of rich and varied experience in well known MNC as well as Indian companies. During his career, he has held key leadership positions such as Operating Partner of TVS Capital Funds, Managing Director of Sanmar Speciality Chemicals, Managing Director of RPG Life Sciences, President of RPG Enterprises, and Partner / Associate Partner of KPMG Consulting and of Accenture. Mr. Murli Ramachandran has a BE (Hons) degree in Mech Engg and an MMS degree from BITS Pilani; he also has an MS in Industrial Engg from Columbia University, New York.

Mr. Murli Ramachandran holds Directorship in Junior Achievement India Services.

Ms. Sonal Mattoo is a lawyer with 19 years of post qualification

work experience. She holds a B.A., LL.B. (Hons) degree from the prestigious, National Law School of India University, Bangalore. Her schooling is from The Lawrence School Sanawar. She is specializing in workplace harassment, diversity issues, mediation matters, matrimonial issues and negotiations. She is Founder Director at "Helping hands", an NGO which specialises in dealing with the issues of women, children and senior citizens. She is also founder and principal consultant of Mantran Consultants, a firm specializing in CSR activities, Counselling, Diversity policies and workshops. Ms. Sonal Mattoo helps implement policies against Sexual Harassment. Ms. Mattoo also holds directorship in various companies including Ashiana Maintenance Service Ltd., Ashiana Housing Ltd and OPG Realtors Ltd.

Keeping in view their vast expertise and knowledge, it will be in the interest of the Company that Mr. Murli Ramachandran and Ms. Sonal Mattoo are appointed as Independent Directors of the Company.

Copies of the letter for appointment of Mr. Murli Ramachandran and Ms. Sonal Mattoo as the Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. Murli Ramachandran and Ms. Sonal Mattoo and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 & 6 of the Notice.

Other details of the Independent Directors, whose appointment is proposed at Item Nos. 5 & 6 of the accompanying Notice, have been given in the annexure attached.

Mr. Murli Ramachandran and Ms. Sonal Mattoo, Directors respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

The Board recommends the Ordinary Resolution set out at Item No. 5 & 6 of the Notice for approval by the members.

Item No. 7

Mr. Hemant Agarwal has been stepped down from the position of Whole-time Director of the Company and was appointed as additional Director in the capacity of Non-executive Director w.e.f. 22nd January, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Mr. Hemant Agarwal candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other

applicable provisions of the Companies Act, 2013. The Board feels that presence of Mr. Hemant Agarwal on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 7 for adoption.

Brief profile of Mr. Hemant Agarwal is given below:

He garnered his Bachelor's Degree in Commerce from Utkal University, Cuttack. He started his career by joining the family retail store in Cuttack and was integral in the formation of the company. He has experience in tackling and resolving the issues in retail industry and has been instrumental in developing a strong vendor base thereby, strengthening the procurement of apparel merchandise, which is the backbone of our retail malls. He is also responsible for managing the growth and development of our private labels and persistently working as a catalyst for business operations of our existing stores and continued expansion in western and central India.

Except Mr. Lalit Agarwal, Mr. Madan Gopal Agarwal, and Mr. Hemant Agarwal, none of the Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommend resolution under Item No. 7 to be passed as an Ordinary Resolution

Item No. 8:

With the changes in the Corporate Governance norms, the role of the Non-Executive Directors including Independent Director and the level of their engagement has undergone significant qualitative changes over a period of time.

Further, in the light of the enhanced responsibilities of Independent Directors, keeping in view of the industry norms and having regard to valuable contribution in growth of the Company, by Non Executive Directors including Independent Director, it is proposed to pay commission based on net profit of the company to the Non Executive Directors including Independent Directors of the Company, w.e.f. 1st April, 2015.

The approval of Members under Section 197 of the Companies Act, 2013 is required for payment of commission, if any, to the Non-Executive Directors.

The Board, therefore, recommends the Ordinary Resolution set out at item no. 8 of the accompanying Notice for the approval of Members.

All Non-Executive Directors including Independent Directors of the Company may deemed to be concerned or interested in this resolution.

Item No. 9

The members of the Company at the Annual General Meeting (AGM) held on 10th July, 2012 has approved the "V-Mart ESOP Scheme, 2012" (hereinafter may be referred as the Scheme or the Plan) in accordance with the Securities and Exchange Board

of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999. The ESOP Scheme, 2012 was subsequently ratified by the Members of the Company at the last Annual General Meeting held on 23rd September, 2014 pursuant to the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999.

The SEBI has issued a new regulation as Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, thus to align the scheme with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014 and to incorporate some amendments in the scheme it was proposed to amend the ESOP Scheme, 2012 of

the Company. The changes/variations proposed in the scheme are not prejudicial to the interest of the employee. In terms of the SEBI Regulations, the amendments in the ESOP Scheme require shareholders approval by way of Special Resolution.

Therefore, in view of the above your Directors recommend the resolution no. 10 for your approval.

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the said resolution.

The requisite disclosures in of the terms of amended scheme and relevant disclosures accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014 for the Scheme are given below:

Sr. No.	Particular	Details
1.	Total number of options to be granted	3,00,000
2.	Identification of classes of employees entitled to participate in the ESOS	The Nomination & Remuneration Committee has been authorized to administer the ESOP scheme of the Company and also to identify the employees entitled to participate in the ESOSs.
3.	Requirements of vesting and period of vesting.	There shall be minimum vesting period of 1 (one) year from the grant date. Further, the Nomination and Remuneration Committee has been authorized to prescribe/ decide the maximum vesting period and other vesting requirements.
4.	Exercise price or pricing formula.	The Nomination & Remuneration Committee has been authorized to determine the exercise price.
5.	Exercise period and process of exercise.	The options granted can be exercised after the vesting at any time before the expiry of eight years from the grant date.
6.	The Company shall confirm to the applicable accounting policies as per the SEBI (Share Based Employee Benefits) Regulations, 2014.	
7.	The appraisal process for determining the eligibility of employees to the ESOS.	The Nomination & Remuneration Committee has been authorized to administer the ESOP scheme of the Company and also to identify the employees eligible to the ESOSs.
8.	Maximum number of options to be issued per employee and in aggregate.	The Nomination & Remuneration Committee has been authorized to decide the quantum of options to be granted under the ESOP per employee and in aggregate. The employees shall be granted the options on the basis that the amount of the quantity of shares granted for each annual period shall not exceed the total annual compensation of the employee for the said period. Further, the amount of the total options granted shall not, at any time, exceed 1% as a maximum of the issued capital of the Company.
9.	Re-issue/grant of lapsed/forfeited options	The Nomination & Remuneration Committee has been authorised to re-issue/grant the options lapsed or forfeited due to resignation/death or otherwise of the grantee employee.
10.	The method which the Company shall use to value its options whether fair value or intrinsic value.	Fair value method
11.	In case the Company calculates the employee compensation cost using the intrinsic value of stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of the options, shall be disclosed in the Directors report and also the impact of this difference on profits and EPS of the Company shall also be disclosed in the Directors' Report.	

Item No. 10 & 11

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

In the light of the improved financial conditions of the Company, enhanced responsibilities of the top management, keeping in view of the industry norms and having regard to valuable contribution in growth of the Company made by Mr. Lalit Agarwal (DIN 00900900), Managing Director, and Mr. Madan Gopal Agarwal (DIN 02249947), Whole-time Director of the Company, it is proposed for the approval of the members to revise the remuneration of the above Executive Directors of the Company, w.e.f. 1st April, 2015.

The Board of Directors of the Company at its meeting held on 30th July, 2015, has pursuant to the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 (Act) and other laws, regulations and as recommended by the Nomination & Remuneration Committee, approved the revision/variation in the payment of remuneration to Mr. Lalit Agarwal (DIN 00900900) as Managing Director, (designated as Chairman & Managing Director) and Mr. Madan Gopal Agarwal (DIN 02249947) as Whole-time Director of the Company for the period from 1st April, 2015 till their remaining tenure i.e. upto 31st May, 2017, the details of revised remuneration are

mentioned in the resolution no's. 10 & 11.

Thus, in view of the above your Directors proposed for the approval of members the resolution no.'s 10 & 11 with regard to payment of revised remuneration to Mr. Lalit Agarwal (DIN 00900900), Managing Director and Mr. Madan Gopal Agarwal (DIN - 02249947), Whole-time Director of the Company. The relevant disclosures pursuant to Secretarial Standard – 2, and Companies Act, 2013, rules made thereunder are annexed hereto.

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

Inspection

All documents referred to in the Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00 pm) on all working days, up to and including the date of the Annual General Meeting.

By order of the Board
For V-Mart Retail Limited

Sudhir Kumar
Company Secretary
M. No. ACS 25125

Place : Gurgaon
Date : 30th July, 2015

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

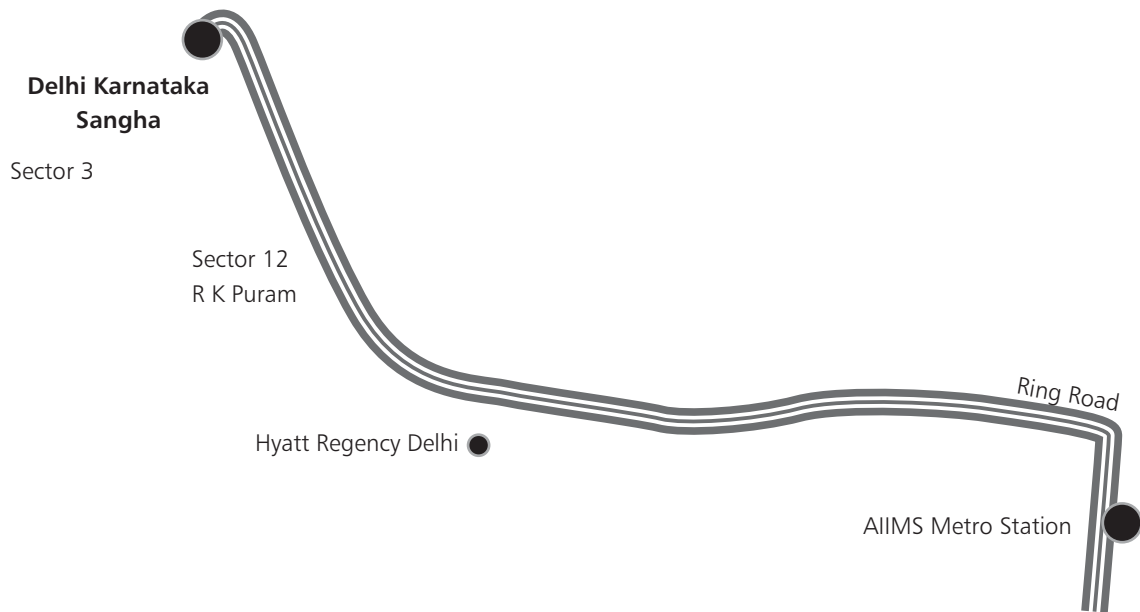
(Pursuant to Clause 49 of the Listing Agreement) & Secretarial Standard-2

SL. No.	Particulars	Mr. Hemant Agarwal	Mr. Murli Ramachandran	Ms. Sonal Mattoo	Mr. Lalit Agarwal	Mr. Madan Gopal Agarwal
1	DIN	2242019	264018	106795	900900	2249947
2	Age	44	54	41	45	72
3	Qualification	Bachelor's Degree in Commerce From Utkal University Cuttack	BE (Hons) degree in Mech Engg, MMS degree from BITS Pilani; and MS in Industrial Engg from Columbia University, New York	B.A., LL.B. (Hons) degree from the prestigious, National Law School of India University, Bangalore.	Bachelor's Degree in Commerce from Bombay University, and a Diploma in Financial Management from the Narsee Monjee Institute of Management Studies, Mumbai	Bachelor's Degree in Arts from the City College, the University of Calcutta
4	Experience	He has experience in tackling and resolving the issues in retail industry and has been instrumental in developing a strong vendor base thereby, strengthening the procurement of apparel merchandise, which is the back bone of retail malls.	He has about 30 years of rich and varied experience in well known MNC's as well as Indian companies.	She has more than 19 years of experience as lawyer.	He has more than 16 years of rich experience in the retail industry.	He has more than 3 decades of experience in retail industry.
5	Term and condition of appointment	As per the resolution	As per the resolution	As per the resolution	As per the resolution	As per the resolution
6	Details of remuneration to be paid	N.A	N.A	N.A	As per the resolution	As per the resolution
7	Remuneration last drawn (during the F.Y 2014-15)	6,041,343	N.A	N.A	11,157,769	3,700,064
8	Date of appointment at Board	22/01/2015	22/01/2015	22/01/2015	21/05/2012	21/05/2012

9	Shareholding in the company as on 31st March, 2015	5.56%	NIL	NIL	12.39%	3.80%
10	Relationship with other Directors/ KMP/Managers	Son of Mr. Madan Gopal Agarwal and Brother of Mr. Lalit Agarwal	NIL	NIL	Son of Mr. Madan Gopal Agarwal and Brother of Mr. Hemant Agarwal	Father of Mr. Lalit Agarwal and Mr. Hemant Agarwal
11	No. of Board Meeting attended during the year (2014-15)	5	1	1	5	5
12	Other Directorship	Director in M/s Wesbok Lifestyle Private Limited	Director in Junior Achievement Indian Service	Director in 1.Ashiana Maintenance Services Limited, 2.Ashiana Holding Limited, 3.OPG Realtors Limited and 4.Helping Hands (An NGO)	NIL	NIL
13	Membership/ chairmanship of committee of other Board	Nil	Nil	2	Nil	Nil

Route Map for the venue of AGM from Nearest Metro station

Route Map for the venue of AGM from AIMS Metro Station



DIRECTOR'S REPORT

Dear members

We are pleased to present the 13th annual report of the Company for the year ended 31st March, 2015.

FINANCIAL RESULTS

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

(₹ in lacs)

Particulars	For the year ended 31.3.2015	For the year ended 31.3.2014
Revenue	72,239.84	57,567.30
Profits/(Loss) before Depreciation & Tax	6,171.31	4,871.72
Less: Depreciation	456.54	1,089.44
Less: Provision for Tax	1,858.09	1,266.56
Profits/(Loss) before Appropriation	3,736.71	2,515.72
Prior period items	-	-
Profit before Appropriation	3,736.71	2,515.72
Less: Utilized for Dividend Issue	270.23	265.44
Balance carried forward to Balance Sheet	3,649.45	2,250.28

V-MART IPO

Your Company has successfully concluded the public issue of equity shares during the year 2012-13 aggregating to ₹36,435 million.

The initial public offer of the Company was subscribed 1.19 times. While the Qualified Institutional Buyer's portion in the offer was subscribed 1.52 times, the Non-Institutional Investors and Retail Investors segments were subscribed 1.39 and 0.79 times, respectively, your Directors wish to express their sincere appreciation for your support in this regard.

The means of finance for the objects of IPO and status of utilization of proceeds raised through the IPO by the Company as on 31st March, 2015 as referred above are as follows:

Means of finance for the objects of IPO are as under:

Particulars	(₹ in lacs)
Proceeds from the fresh issue (A)	57,98.10
Proceeds from Pre-IPO placement (B)	26,25.00
Internal accruals (C)	717.60
Total	9,140.70

The utilization of the aforementioned means of finance as on 31st March, 2015 is as under:

(₹ in lacs)

Particulars	Utilization planned as per prospectus	Utilization of IPO proceeds as on 31st March, 2015	Adjustments (utilization of surplus towards other objects)	Balance amount to be utilized as on 31st March, 2015
To open new stores	6,970.40	(6,585.81)	6.60	391.19
Expansion of distribution centre	438.70	(287.26)	-	151.44
Working capital	1,000.00	(1,000.00)	-	-
Share issue expenses	731.60	(725.00)	(6.60)*	-
Total	9,140.70	(8,598.07)	-	542.63

* Surplus available after actual expenses incurred will be utilized towards other objects of the issue.

Interim utilization of balance IPO proceeds up to 31st March, 2015 is as under:

Particulars	(₹ in lacs)
Balance unutilized amount assuming utilization is out of IPO proceeds:	542.63
Amount temporary kept in mutual funds:	
Mutual funds	542.63

PERFORMANCE REVIEW

The Indian retail industry is one of the fastest growing markets in the world due to sound fundamentals such as stable economic growth, favourable demographic profile and rising per capita income. Retail industry in India is expected to grow to US\$ 950 billion by 2018, registering a compound annual growth rate (CAGR) of 8.9 percent during 2000-2018. The online retail market is expected to grow from US\$ 3.1 billion to US\$ 22 billion (from 10 percent to more than 15 percent of the organized retail market) during FY13-FY18.

During the year, the Net Sales of the Company increased by 25% to ₹718.98 crores in FY14-15 from ₹574.95 crores in FY13-14. The Operating Profits (EBITDA) has been increased by

25% to ₹66.02 crores in FY14-15 from ₹52.96 crores in FY13-14. The Company posted Profit after Tax (PAT) of ₹37.37 crores in the current FY14-15 as against the Profit after Tax of ₹25.16 crores in the previous financial year.

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

OPERATIONS REVIEW

During the year the Company continued with its existing approach to endeavour to establish its growth pattern in the Retail Industry with a chain of stores under the "V-Mart" brand in the Retail Industry.

During the year, the Company opened 19 (Nineteen) new stores under the brand V-Mart with spread over an area of 1.71 lacs sq. ft.

During the year, the Company has also completed the transition to a new warehouse and corporate office keeping into account the existing and future growth.

The year under review has been one where the focus of

the Company has been on enhancing the capability of the organization and towards the achievement of this goal the Company has been taking a number of initiatives around the three pillars of People, Process and Technology.

AWARDS & ACHIEVEMENTS

During the year, following awards/recognitions were received by the Company:

"Most Admired Retailer of the Year 2014" for the category of concept store

OPERATING RESULTS AND BUSINESS

Your Company completes its thirteenth year in the field of fashion retailing. The existing business model of the Company with a focus on the consumption story based on the growing aspiration for fashion in the Tier-II and Tier-III cities continues to give good results based on which your Company has posted healthy results.

DIVIDENDS

The Board in its meeting held on 4th May, 2015, recommended dividend of ₹1.50/- per share (@15%) excluding the dividend distribution tax, which is to be paid out of the profit of the Company for the financial year ended 31st March, 2015 on equity shares of the Company, subject to approval of shareholders at the ensuing Annual General Meeting.

RESERVES

We have transferred ₹9.74/- crores to our general reserves and our general reserves stood at ₹186.92/- crores which makes the Company even more financial stronger.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as required under Clause 49 of the Listing Agreement has been dealt with extensively as part of this Annual Report.

LISTING

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

The Company has paid the requisite listing fee to the Stock Exchanges for the financial year 2015-16.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return in prescribed format are appended as **Annexure – A** to this Report.

CORPORATE GOVERNANCE

It describes our shared long-term values, principles and goals. It reflects our corporate culture and identity. It guides us in our daily work and shows how we want to address opportunities and risks today and in the future. It defines the way in which we assume our corporate responsibilities.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled Report on Corporate Governance has been included in this Report.

NUMBER OF MEETINGS OF THE BOARD

The Board met five times during the FY14-15, the details of which are given in Corporate Governance report that forms part of this Annual report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 & Listing Agreement.

BOARD EVALUATION

The Clause 49 of the Listing Agreement states that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal evaluation needs to be made by the board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by its Board of Directors, excluding the director being evaluated.

The Board has carried out the annual evaluation of its own performance and that of its Directors individually. The evaluation criteria as laid down by the Nomination & Remuneration Committee includes various aspects of functionality of Board such as compositions, process & procedures including adequate & timely information, attendance, delegation of responsibilities, decision-making, roles & responsibilities including monitoring, benchmarking, feedback, stakeholders relationship and committees.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary disclosures from each of its Independent Directors under Section 149(7) of the Companies Act, 2013, that he/she meets all the criteria laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The details of the familiarization programme for the Independent Directors have been uploaded on the website of the Company and may be accessed through the link: <http://www.vmart.co.in/corporate.html>.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The current policy aims to have a mix of independent and executive directors on Board and separate its functions of governance and management.

The policy of the Company on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 is appended as **Annexure-B**. All the appointment and remuneration paid during the FY14-15 is as per the provisions of the Companies Act, 2013 and as per the terms laid down in policy of Nomination and Remuneration policy of the Company.

TRAINING OF INDEPENDENT DIRECTORS

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

Further, at the time of the appointment of Independent Directors, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a director.

NEW TO THE BOARD

On recommendations of the Nomination and Remuneration Committee, the Board appointed Mr. Murli Ramachandran and Ms. Sonal Mattoo as Additional Directors in the capacity of Independent Directors effective from 22nd January, 2015, subject to the approval of shareholders at the ensuing Annual General Meeting.

On recommendations of the Nomination and Remuneration Committee, the Board appointed Mr. Hemant Agarwal as an Additional Director, in the capacity of Non-Executive Director, effective from 22nd January, 2015, subject to the approval/ratification of shareholders at the ensuing Annual General Meeting.

Mr. Hemant Agarwal has been stepped down from the position of Whole-time Director of the Company and was appointed as Additional Director in the capacity of Non-Executive Director of the Company w.e.f. 22nd January, 2015.

RETIREMENT BY ROTATION

In terms of the provisions of Section 152 of the Companies Act, 2013 and Articles of Associations of the Company, Mr. Madan Gopal Agarwal (DIN 02249947), Director is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

The necessary resolution for obtaining approval of Members has been incorporated in the notice of the ensuing Annual General Meeting. The requisite disclosures regarding appointment/ re-appointment of Directors have been made in the explanatory statement to the notice of the ensuing Annual General Meeting.

The Company has received requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act.

RESIGNATIONS

During FY14-15, Mr. Krishan Kumar Gupta and Mr. Kamal Kumar Gupta have resigned as Independent Directors w.e.f. 22nd January, 2015. The Board appreciated their efforts in delivering excellence and invaluable contribution for the Company.

COMMITTEES OF THE BOARD

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

Currently, there are four committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, the Practising Company Secretary certificate on Corporate Governance is enclosed as Annexure to the Board Report.

SHARE CAPITAL

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

Details of equity shares allotted under ESOP:

Sr. No.	Date of Allotment	No. of shares allotted
1	29th September, 2014	41,308
2	5th January, 2015	15,603
3	4th May, 2015	14,237

Pursuant to the above allotment of shares, the paid up capital of the Company stands increased to ₹18,02,99,260 as on 4th May, 2015.

The Information required to be disclosed under SEBI (Share Based Employee Benefits) Regulations, 2014 as on 31st March, 2015 are as follows:

Particulars	Details
Options granted	175602
Pricing Formula	The Nomination & Remuneration Committee has been authorized to determine the exercise price of ESOPs.
Total Options vested	91950
Options exercised	56911
Total Number of Equity Shares arising as a result of exercise the options	56911
Options forfeited/lapsed	Nil
Variation of terms of options	Nil
Money realized by exercise of options	85,36,650
Total number of ESOPs in force	96341

Person-wise details of options granted during the Financial Year 2014-15:

i) Senior managerial personnel/key managerial personnel	Mr. Venugopal Konchada - 12700 Ms. Anjali Goel- 3000 Mr. Vineet Kailash Khanna - 2150 Mr. Ramesh Kumar Agarwal - 3000 Mr. Sudhir Kumar - 1500
ii) Any other employee who received a grant in any one year of options amounting to 5% or more options granted during the year	Nil
iii) Identified employees who are granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
Fully-diluted EPS pursuant to issue of shares on exercise of options in accordance with relevant Accounting Standards	20.78
Lock-in	None

Particulars	Details			
Impact on profits and EPS of the last three years	Impact on profit: (1669827) Impact on EPS: (.09)			
Impact of the difference on the profits of the Company and on the EPS	Impact on profit: (1669827) Impact on EPS: (.09)			
Difference, if any, between employee compensation cost (calculated according using the intrinsic value of stock options) and the employee compensation cost (calculated on the basis of fair value of stock options)	There is no difference between employee compensation cost using intrinsic value of stock options and fair value of stock options.			
Weighted average exercise price of options whose exercise price either equals or exceeds or is less than the market price of the stock	Exercise price exceeds market price : Not applicable Exercise price equals market price : Not applicable Exercise price is less than market price: 150			
Weighted average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock	Exercise price exceeds market price : Not applicable Exercise price equals market price : Not applicable Exercise price is less than market price : 150			
Method and significant assumptions used to estimate the fair value of options granted during the year	There is no impact on profit and loss since the ESOPs have been granted on fair market value. The fair market value has been calculated on the basis of the 'Black Scholes model'.			
	Particulars	45,975 ESOPs	45,975 ESOPs	61,302 ESOPs
	Price per option (in ₹)	150.00	150.00	150.00
	Risk free return (in %)	8.30	8.30	8.30
	Average weighted cost of capital (in %)	10.80	10.80	10.80
	Average rate of return on the stock market (in %)	7.25	7.25	7.25
	Terminal growth (in %)	10.00	10.00	10.00
	Average cost of equity based on CAPM (in %)	13.55	13.55	13.55
	Beta	1.26	1.26	1.26
	Price of underlying shares at the time of the options grant	150.00	150.00	150.00

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There were no materially significant related party transactions made by the Company with the Promoters, Key Management Personnel or other designated persons which may have potential conflict with interest of the Company at large. The Company has formulated a policy on Related Party Transaction which is available on the website of

the Company at the link <http://www.vmart.co.in/corporate.html>. The details of related party transactions entered during the year are provided in the accompanying financial statements.

DEPOSITS

During the FY14-15, your Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable laws and as such no

amount of principal or interest was outstanding as on date of the Balance Sheet.

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

The Company has not given any loan or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN 31ST MARCH, 2015 AND THE DATE OF BOARD'S REPORT.

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

SUBSIDIARY COMPANIES, JOINT VENTURES & ASSOCIATE COMPANIES

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our Company has constituted a Corporate Social Responsibility Committee of the Board and of which Mr. Lalit Agarwal is the Chairman, and Mr. Madan Gopal Agarwal, Mr. Aakash Moondhra and Ms. Sonal Mattoo are the members. The Committee is responsible for formulating and monitoring the CSR policy of the Company. Details about the CSR policy of the Company and initiatives taken by the Company on CSR during the year are available on our website.

As per the Companies Act, 2013 Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall spend in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial year, in pursuance of its Corporate Social Responsibility Policy. Accordingly, our Company requires to spend ₹53,72,487 on CSR activities during the year.

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

JUSTIFICATION FOR NOT SPENDING THE PRESCRIBED AMOUNT ON CSR ACTIVITIES

As per the requirements of Section 135 of Companies Act, 2013, V- Mart has contributed an amount of ₹21,00,000/- (Rupees Twenty One Lac Only) for the benefit of the Society out of

₹53,72,487/- (Rupees Fifty Three Lac Seventy Two Thousand Four Hundred And Eighty Seven Only) which is required to be spent as per the provisions.

The Shortfall of ₹32,72,487/- (Thirty Two Lac Seventy Two Thousand Four Hundred and Eighty Seven Only) is due to unavailability of adequate proposals. The Company is evaluating various proposals to spend the required amount and serve the society at its best.

CONSERVATION OF ENERGY

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

TECHNOLOGY ABSORPTION

The Company is taking care of latest development and advancements in technology and all steps are being taken to adopt the same.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Sr. No.	Particulars	Foreign Exchange Earning (Amount in ₹)	Foreign Exchange outgo (Amount in ₹)
1	Purchase of Capital Goods	NIL	6,01,278
	Total		6,01,278

CODE OF CONDUCT

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy / Vigil Mechanism to deal with instances of fraud and mismanagement, if any. The purpose of this mechanism is to provide a framework to report concern about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics

policy and provide adequate safeguards against victimization of the person availing this mechanism. This Policy has been appropriately communicated within the organization and is effectively operational. The policy provides mechanism whereby whistle blower may send protected disclosures directly to the Chairman of Audit Committee or Vigilance Officer.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate dealing in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

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

RISK MANAGEMENT

Your Company is working in an open environment and hence faces various types of risk. Company has analyzed all the possible types of risk and has taken steps to cover as much as possible if the tools of risk management are reasonably priced and available. Company has a clear policy and management to cover the various risks.

HUMAN RESOURCE MANAGEMENT

We are focused to attract and retain talented skills and make them motivated through various skill-development programmes. We provide quality workplace to our employees and provide platform to develop and to grow.

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

No employee of the Company employed throughout the financial year was in receipt of remuneration of ₹60 Lac or more, or employed for the part of the year and in receipt of ₹5 lac or more a month under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, except Mr. Lalit Agarwal, Chairman & Managing

Director of the Company.

AUDITORS

At the Annual General Meeting held on 23rd September, 2014, M/s Walker Chandiok & Co. LLP, Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of first proviso to Section 139 of the Companies Act, 2013 the appointment of the auditors shall be placed for ratification at every AGM, accordingly the appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Sections 141 of the Companies Act, 2013.

SECRETARIAL AUDITOR

VKC & CO., Practicing Company Secretaries, was appointed as Secretarial Auditors to conduct the Secretarial Audit of the Company for the FY14-15, as required under Section 204 of the Companies Act, 2013 and rules there under. The Secretarial Audit report forms part as **Annexure-E** to the Board's report.

AUDITORS REPORT

There was no observation or qualification in the Auditors Report for the financial year ended 31st March, 2015, it is self explanatory in nature.

INTERNAL FINANCIAL CONTROL

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

SIGNIFICANT AND MATERIAL ORDERS

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

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

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

(a) Number of complaints of sexual harassment received in the

year: NIL

(b) Number of complaints disposed off during the year: NIL

(c) Number of cases pending for more than ninety days: NIL

(d) Number of workshops on awareness programme against sexual harassment carried out: 1

(e) Nature of action taken by the employer or district officer: NIL

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a going

concern basis.

- e) the Directors had laid down Internal Financial Controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

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

By the order of Board
For and on behalf of Board of Directors

Place: Gurgaon
Date: 30th July, 2015

Lalit Agarwal
Chairman & Managing Director
DIN: 00900900

Annexure - A to Board Report

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on Financial Year ended on 31st March, 2015

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

I. REGISTRATION & OTHER DETAILS:

i	CIN	L51909DL2002PLC163727
ii	Registration Date	24/07/2002
iii	Name of the Company	V-MART RETAIL LIMITED
iv	Category/Sub-category of the Company	LIMITED BY SHARES/INDIAN NON- GOVERNMENT COMPANY
v	Address of the Registered office & contact details	610-611, GURU RAM DASS NAGAR, MAIN MARKET, OPP. SBI BANK, LAXMI NAGAR, NEW DELHI - 110092 TEL NO.- +911244640030 FAX NO.- +911244640046
vi	Whether listed company	LISTED
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KARVY COMPUTERSHARE PRIVATE LIMITED REGD. OFFICE: KARVY HOUSE, 46, AVENUE 4, STREET NO. 1, BANJARA HILLS, HYDERABAD - 500034. INDIA TEL NO.- +914023312454/44677312/44677392

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: RETAIL TRADE

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the FY14-15				No. of Shares held at the end of the FY14-15				% change during the year	
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	No. of Shares	in %
A. Promoters										
(1) Indian										
a) Individual/HUF	10564475	0	10564475	58.83%	10469063	0	10469063	58.11%	-95412	-0.90%
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0	0
SUB TOTAL:(A) (1)	10564475	0	10564475	58.83%	10469063	0	10469063	58.11%	-95412	-0.90%
(2) Foreign										
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A) (1)+(A)(2)	10564475	0	10564475	58.83%	10469063	0	10469063	58.11%	-95412	-0.90%
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	1150273	0	1150273	6.41%	1128386	0	1128386	6.26%	-21887	-1.90%
b) Banks/FI	0	0	0	0	110	0	110	0%	110	0%
c) Central govt	0	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) FI	4283305		4283305	23.85%	4187436	0	4187436	23.24%	-95869	-2.24%
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	5433578	0	5433578	30.26%	5315932	0	5315932	29.51%	-117646	-2.17%
(2) Non Institutions										
a) Bodies corporates	1241045	0	1241045	6.91%	1109009	0	1109009	6.16%	-132036	-10.64%
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹1 lacs	334067	3	334070	1.86%	671476	68	671544	3.73%	337474	101%
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lacs	255487	0	255487	1.42%	265394	0	265394	1.47%	9907	3.88%
c) Others (specify)										
Non- Resident Indians	124704	0	124704	0.69%	177861	0	177861	0.99%	53157	29.89%
Clearing Members	5419	0	5419	0.03%	6886	0	6886	0.04%	1467	27.07%
SUB TOTAL (B)(2):	1960722	3	1960725	10.92%	2230626	68	2230694	12.38%	269969	15.77%

Category of Shareholders	No. of Shares held at the beginning of the FY14-15				No. of Shares held at the end of the FY14-15				% change during the year	
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	No. of Shares	in %
Total Public Shareholding (B)= (B) (1)+(B)(2)	7394300	3	7394303	41.17%	7546558	68	7546626	41.89%	152323	2.06%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	17958775	3	17958778	100.00%	18015621	68	18015689	100%	56911	0.32%

ii. SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the FY14-15			Shareholding at the end of the FY14-15			% change in share holding during the year
		No. of shares	% of total shares	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	LALIT AGARWAL	2194025	12.22%	0	2234113	12.40%	0	1.83%
2	SANGEETA LALJI AGARWAL	14,69,878	8.18%	0	14,69,878	8.16%	0	0%
3	UMA DEVI AGARWAL	13,55,460	7.55%	0	13,55,460	7.52%	0	0%
4	LALIT M AGARWAL HUF	1277275	7.11%	0	1277275	7.09%	0	0%
5	MADAN GOPAL AGARWAL HUF	1041675	5.80%	0	1041675	5.78%	0	0%
6	SANGEETA AGRAWAL	7,02,297	3.91%	0	7,02,297	3.90%	0	0%
7	SMITI AGARWAL	8,34,005	4.64%	0	698505	3.88%	0	-16.25%
8	HEMANT AGARWAL	579500	3.23%	0	579500	3.22%	0	0%
9	HEMANT AGARWAL	423985	2.36%	0	423985	2.35%	0	0%
10	MADAN GOPAL AGARWAL	380361	2.12%	0	380361	2.11%	0	0%
11	MADAN GOPAL KANDOI	306014	1.70%	0	306014	1.70%	0	0%
	Total	10564475	58.83%	0	10469063	58.11	0	-0.01

iii. CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Lalit Agarwal							
	At the beginning of the year	2194025	12.22%					
	Change: NIL			18.03.2015	40088	Purchased		
	At the end of the year						2234113	12.40%
2	Smiti Agarwal							
	At the beginning of the year	834005	4.64%					
	Change			13.06.2015	-50000	Sold	784005	4.37%
				30.06.2015	30000	Purchased	814005	4.53%
				24.10.2014	-15500	Sold	798505	4.44%
				13.02.2015	-100000	Sold	698505	3.88%
	At the end of the year						598505	3.32%

IV. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	HSBC BANK (MAURITIUS) LIMITED A/C JWALAMUKHI INVES							
	At the beginning of the year	1788102	9.96%					
	Change: NIL							
	At the end of the year (or on the date of separation, if separated during the year)						1788102	9.93%*

* The decrease in % of total shares of the Company from 9.96 % to 9.93 % is due to ESOP allotment of 56911 shares.

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
2.	KOTAK MAHINDRA (INTERNATIONAL) LIMITED							
	At the beginning of the year	1539081	8.57%	01.04.2014				
	Change			16.05.2014	169921	Purchased	1709002	
	At the end of the year (or on the date of separation, if separated during the year)						1709002	9.50%

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
3.	CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED							
	At the beginning of the year	888272	4.95%	01.04.2014				
	Change			16.05.2014	-169921	Sold	718351	4%
				31.12.2014	-607482	Sold	110869	0.62%
				23.01.2015	-15000	Sold	95869	0.53%
				30.01.2015	-95869	Sold	0	0%
	At the end of the year (or on the date of separation, if separated during the year)						0	0%

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
4.	IDFC PREMIER EQUITY FUND							
	At the beginning of the year	770311	4.29					
	Change			04.04.2014	-6328	Sold	763983	4.25%
				11.04.2014	-260	Sold	763723	4.25%
				12.09.2014	-138417	Sold	625306	3.48%
	At the end of the year (or on the date of separation, if separated during the year)			21.11.2014	-625306	Sold	0	0%

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
5.	NAMAN FINANCE & INVESTMENT PRIVATE LIMITED							
	At the beginning of the year	719136	4%					
	Change			05.09.2014	-25000	Sold	694136	3.87%
				10.10.2014	-17381	Sold	676755	3.76%
				17.10.2014	-7065	Sold	669690	3.72%
	At the end of the year (or on the date of separation, if separated during the year)						669690	3.72%

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
6.	MORGAN STANLEY A.C.E. FUND							
	At the beginning of the year	143887	0.80%					
	Change			30.06.2014	-8024	Sold	135863	0.76%
				30.01.2015	-89400	Sold	46463	0.26%
	At the end of the year (or on the date of separation, if separated during the year)						46463	0.26%

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
7.	ANTIQUE SECTRADE PRIVATE LIMITED							
	At the beginning of the year	118567	0.66%					
	Change			04.04.2014	-12302	Sold	106265	0.60%
				11.04.2014	-106265	Sold	0	0%
	At the end of the year (or on the date of separation, if separated during the year)						0	0%

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
8.	SRIHARI KUMAR							
	At the beginning of the year	118322	0.66%					
	Change: Nil							
	At the end of the year (or on the date of separation, if separated during the year)						118322	0.66%

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company
9.	WRITERS AND PUBLISHERS PRIVATE LIMITED							
	At the beginning of the year	79167	0.44%					
	Change: Nil							
	At the end of the year (or on the date of separation, if separated during the year)						79167	0.44%

* The decrease in % of total shares of the Company from .44% to .43 % is due to ESOP allotment of 56911 shares.

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year					Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company	Date	Increase/ Decrease	Reason	No. of shares	% of total shares of the Company
10.	AMAL NIRANJAN PARIKH							
	At the beginning of the year	75000	0.42%					
	Change			18.07.2015	-75000	Sold	0	0%
	At the end of the year (or on the date of separation, if separated during the year)						0	0%

v. INDEBTEDNESS

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

(in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	43,52,00,000	NA	NA	43,52,00,000
ii) Interest due but not paid	NA	NA	NA	NA
iii) Interest accrued but not due	NA	NA	NA	NA
Total (i+ii+iii)	43,52,00,000	-	-	43,52,00,000
Change in Indebtedness during the financial year				
Additions	NA	NA	NA	NA
Reduction	13,36,00,000	NA	NA	13,36,00,000
Net Change	(13,36,00,000)	-	-	(13,36,00,000)
Indebtedness at the end of the financial year				
i) Principal Amount	30,15,00,000	NA	NA	30,15,00,000
ii) Interest due but not paid	NA	NA	NA	NA
iii) Interest accrued but not due	NA	NA	NA	NA
Total (i+ii+iii)	30,15,00,000	-	-	30,15,00,000

vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lac)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		LALIT AGARWAL (MD)	MADAN GOPAL AGARWAL (WTD)	HEMANT AGARWAL (TILL 22.01.2015)* -WTD	
1	Gross salary				
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax. 1961.	54	18	29.13	101.13
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	NA	NA	NA	NA
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NA	NA	NA	NA
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	57.58	19	31.28	107.86
5	Others, please specify	-	-	-	-
	Total (A)	111.58	37	60.41	208.99
	Ceiling as per the Act	(being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

* Mr. Hemant Agarwal Ceased to be a WTD w.e.f. 22.01.2015

B. Remuneration to other directors:

(₹ in lac)

Sl. No.	Particulars of Remuneration	Name of the Directors				
		KAMAL KUMAR GUPTA (TILL 22.01.2015)	KRISHAN KUMAR GUPTA (TILL 22.01.2015)	AAKASH MOONDHRA	MURLI RAMACHANDRAN (w.e.f. 22.01.2015)	SONAL MATTOO (w.e.f. 22.01.2015)
1	Independent Directors					
	(a) Fee for attending board committee meetings	0.67	0.90	1.46	0.56	0.56
	(b) Commission	NA	NA	NA	NA	NA
	(c) Others, please specify	NA	NA	NA	NA	NA
	Total	0.67	0.90	1.46	0.56	0.56
	Total (1)	4.15				
2	Other Non Executive Directors	HEMANT AGARWAL* (w.e.f. 22.01.2015)				
	(a) Fee for attending board committee meetings	NIL				
	(b) Commission	NIL				
	(c) Others, please specify.	NIL				
	Total (2)	NIL				
	Total (B)=(1+2)	4.15				
	Overall Ceiling as per the Act.	(being 1% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

*Appointed as Additional Director with effect from 22.01.2015

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		DEEPAK SHARMA	SUDHIR KUMAR
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	28,80,000	5,49,979
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NA	NA
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NA	NA
2	Stock Option	30,23,250	NA
3	Sweat Equity	NA	NA
4	Commission as % of profit	NA	NA
5	Others, please specify	NA	NA
	Total	59,03,250	5,49,979

Annexure - B to Board Report

Nomination & Remuneration Policy for the Members of Board and Executive Management

1. Preamble

- 1.1 The Nomination and Remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.
- 1.2 The policy would be reviewed every year by the Nomination and Remuneration Committee of the Board of Directors.

2. Aims & Objectives

- 2.1 The aims and objectives of this remuneration policy may be summarized as follows:
 - 2.1.1 The Nomination and Remuneration policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board and Executive level.
 - 2.1.2 The Nomination and Remuneration policy seeks to enable the Company to provide a well balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
 - 2.1.3 The Nomination and Remuneration policy will ensure that the interests of Board members & Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
 - 2.1.4 The Nomination and Remuneration policy will ensure that remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

3. Principles of remuneration

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

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

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

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

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

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

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

4. Nomination and Remuneration Committee

- 4.1 The Board of Directors have constituted the Nomination & Remuneration Committee by renaming the existing Remuneration Committee. The members of the Committee comprises of three Independent Directors.
- 4.2 The Committee is responsible for:
 - 4.2.1 Formulating framework and/or policy for remuneration, terms of employment including service contracts, policy for and scope of pension arrangements, etc. for Executives and reviewing it on a periodic basis;
 - 4.2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Director.
 - 4.2.3 Identifying persons who are qualified to become

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

- 4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the Company that failure is not rewarded and that the duty to mitigate loss is fully recognized;
- 4.3 The Committee shall:
 - 4.3.1 review the ongoing appropriateness and relevance of the nomination & remuneration policy;
 - 4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
 - 4.3.3 obtain reliable, up-to-date information about remuneration in other companies;
 - 4.3.4 ensure that no director or Executive is involved in any decisions as to their own remuneration.
- 4.4 Without prejudice to the generality of the terms of reference to the Nomination and Remuneration Committee set out above, the Committee shall:
 - 4.4.1 Operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
 - 4.4.2 Liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors and Director should possess the highest personal and professional ethics, integrity
 - 4.4.3 Review the terms of executive Directors' service contracts from time to time
 - 4.4.4 Perform such other acts, things and take such other decisions as provided and authorized by the Board of Directors of the Company to the Committee in terms of the provisions of Companies Act, 2013 and other applicable laws.

5. Procedure for selection and appointment of the Board Members

- 5.1 Board Membership criteria
The Committee, along with the Board, reviews on an annual basis, appropriates skills, characteristics and experience required of the Board as a whole and its

individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

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

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

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

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

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

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

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

- 6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- 6.2 The Committee may conduct a wide-ranging search for candidates for the positions of Employees within the Company, within enterprises controlled by the Company

or within enterprises in which the Company holds equity, if any, and on the human resources market;

- 6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- 6.4 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of the Employees;
- 6.5 Before the selection of Employee, the recommendations and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;
- 6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

7. Compensation Structure

(a) Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors is ₹50000/- per meeting. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company may also be paid other remuneration or profits based commission, subject to requirements of applicable laws.

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

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

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

has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company and ratified by the Board.

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

8. Role of Independent Directors

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

9. Approval and publication

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

10. Supplementary provisions

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

Annual Report on CSR activities

Pursuant to Section 135 of the Companies Act, 2013

Over the years, we have been focusing on sustainable business practices encompassing economic, environmental, and social imperatives that not only cover business, but also to that of communities around us. Our Corporate Social Responsibility, thus is not limited to philanthropy, but also includes various initiatives, that lead to social development & welfare.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

- Mr. Lalit Agarwal, Chairman
- Mr. Madan Gopal Agarwal, Member
- Mr. Aakash Moondhra, Member
- Ms. Sonal Mattoo, Member

FINANCIAL DETAILS

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribes that every company having a Net Worth of ₹500 crore or more, or Turnover of ₹1000 crore or more or, Net Profit of ₹5 crore or more made during any financial year shall ensure that the Company spends, in every financial year, at least 2% of the Average Net Profits made during the immediately preceding three financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to Corporate Social Responsibility as prescribed under the Companies Act, 2013 are applicable to V-Mart Retail Limited. The financial details as sought by the Companies Act, 2013 are as follows:

Particulars	Amount (₹)
Average net profit of the Company for last three financial years	26,86,24,333
Prescribed CSR Expenditure (Two percent of the average net profit as computed above)	53,72,487
Details of CSR spent during the financial year.	
(a) Total amount to be spent for the financial year :	53,72,487
(b) Amount spent	21,00,000
(b) Amount unspent, if any ;	32,72,487

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

(in ₹)

CSR project or activity identified	Sector in which the project is covered	Location of the Project or Programs	Amount out-lay (budget) Project or Programs	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent direct/ implementing agency
Maharaja Agrasen Charitable Hospital	Healthcare & Medical Facilities	Delhi	21,00,000	21,00,000	21,00,000	Directly

Our CSR Responsibilities

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

Lalit Agarwal
Chairperson CSR Committee & CMD
DIN:00900900

Place : Gurgaon
Date: 30th July, 2015

Annexure - D to Board Report

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

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

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY14-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY14-15 are as under:

Sr. No.	Name of Director, KMP & Designation	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Lalit Agarwal Chairman & Managing Director	32.03%	1737.97
2	Mr. Madan Gopal Agarwal Whole-time Director	31.96%	576.33
3	Mr. Hemant Agarwal Director	7.73%	941.01
4	Mr. Aakash Moondhra Independent Director	No Remuneration, only sitting Fees	N.A
5	Mr. Kamal Kumar Gupta* Independent Director	No Remuneration, only sitting Fees	N.A
6	Mr. Krishan Kumar Gupta* Independent Director	No Remuneration, only sitting Fees	N.A
7	Mr. Murli Ramachandran** Independent Director	No Remuneration, only sitting Fees	N.A
8	Ms. Sonal Mattoo** Independent Director	No Remuneration, only sitting Fees	N.A
9	Mr. Deepak Sharma Chief Financial Officer	17.65%	N.A
10	Mr. Sudhir Kumar*** Company Secretary	N.A	N.A

*Resigned w.e.f. 22nd January, 2015

**Appointed w.e.f. 22nd January, 2015

*** Appointed w.e.f. 1st May, 2014

2. The median remuneration of employees of the Company during the financial year 13-14 was ₹5,500/- whereas in FY14-15 it is ₹6,420/-. Therefore in the FY14-15, there is an increase of 16.72% in the median remuneration of employees.
3. Number of Permanent Employees on the rolls of Company as on 31st March, 2015: 4,095
4. Explanation in the average amount of remuneration increased in relation to the performance of the Company: The net sales of the Company increased by 25% in the FY14-15 in comparison to previous financial year, further the EBITDA of the Company also increased by 25% during the year, thus average remuneration increased in relation to the performance of the Company are justified/desirable.

5. The Profit before Tax for the financial year ended 31st March, 2015 increased by 49% whereas the increase in median remuneration was 16.72%. The average increase in median remuneration was in line with the performance of the Company.
6. Comparison of the remuneration of the KMP against the performance of the Company.

The total remuneration of Key Managerial Personnel increased by 24.24% in 2014-15 whereas the Profit before Tax increased by 49% in 2014-15 .

- 7) a) Variations in the market capitalisation [Mkt. Cap full (in crore)] of the Company: The market capitalisation as on 31st March, 2015 is ₹1,026.354 crore which was ₹515 crore as on 31st March, 2014
- b) Price Earning ratio of the Company was 27.4% as at 31st March, 2015 and was 20.48% as at 31st March, 2014.
- (c) Percent increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year-

The Company had come out with initial public offer (IPO) in 2013. An amount of ₹210/- invested in the said IPO would be worth ₹569.25 as on 31st March, 2015 indicating a Compounded Annual Growth Rate of 60.5%. This is excluding the dividend accrued thereon.

8. The average percentile increase in the salaries of the employees (other than Managerial Personnel) for FY14-15 is 14% whereas the average percentile increase in the managerial remuneration for the FY14-15 is 24.24%. The Company's variable compensation philosophy for its managerial personnel is to ensure its competitiveness in the global market in which it operates for attracting & retaining the best talent.

9. Comparison of the each remuneration of the Company's KMP against the performance of the Company:

(in ₹)

Name of KMP	Managerial Remuneration			Commission			Total Remuneration		
	Amount in ₹	As a % of Revenues	As a % of Net Profits	Amount in ₹	As a % of Revenues	As a % of Net Profits	Amount in ₹	As a % of Revenues	As a % of Net Profits
Mr. Lalit Agarwal	54,00,000	0.07%	0.94%	57,57,768.78	0.08%	1.00%	1,11,57,768.78	0.15%	1.95%
Mr. Madan Gopal Agarwal	18,00,000	0.03%	0.31%	19,00,063.70	0.03%	0.33%	37,00,064	0.05%	0.65%
Mr. Hemant Agarwal	29,12,903	0.04%	0.51%	31,28,440.29	0.04%	0.55%	60,41,343	0.09%	1.06%
Mr. Deepak Sharma	28,80,000	0.04%	0.50%	-	-	-	28,80,000	0.04%	0.50%
Mr. Sudhir Kumar	5,49,979	0.01%	0.10%	-	-	-	5,49,979	0.01%	0.10%

10. No Director is in receipt of any variable component of remuneration (except commission based on net profit)
11. Ratio of the remuneration of highest paid director to that of highest paid employee who receive more than the highest paid director but he himself is not the director. (if any): N.A.
12. It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

1. The details of Employees who were employed throughout the FY14-15 and were in receipt of minimum aggregate Remuneration of ₹60 Lacs: NIL
2. The details of Employees who were employed for the part of FY14-15 and for that part they received minimum aggregate remuneration of ₹5 lac per month: NIL
3. The details of Employees who were employed during FY14-15 (whether for full year or part thereof) and were drawing remuneration [i.e. either ₹60 lac or ₹5 lac per month] which is in excess of the remuneration drawn by MD or WTD or Manager and along with this, he is holding minimum 2% of the equity shares of the Company together with his wife & dependent children: NIL

Annexure - E to Board Report

FORM NO. MR - 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
V-Mart Retail Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by V-Mart Retail Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the V-Mart Retail Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2015 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 V-Mart Retail Limited ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- Not Applicable
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not Applicable
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008- Not Applicable
 - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agent) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009 - Not Applicable
 - h) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998 - Not Applicable
- vi) As per information provided by the management, these laws are specifically applicable to the Company:
 - i) Shop and Establishment Act, 1954.

- ii) Legal Metrology Act, 2009.
- iii) Food Safety and Standard Act, 2006.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India—**Not Applicable**.
- (ii) The Listing Agreement entered into by the Company with BSE Limited, National Stock Exchange of India Limited.

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period the Company has the following specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. referred to above:-

- i) On 29th September, 2014, Company has issued 41,308 Equity Shares of ₹10/- each at a price of ₹150/- per share aggregating to ₹61,96,200 pursuant to V-Mart ESOP Scheme, 2012.
- ii) On 5th January, 2015, Company has issued 15,603 Equity Shares of ₹10/- each at a price of ₹150/- per share aggregating to ₹23,40,450 pursuant to V-Mart ESOP Scheme, 2012.

For **V. K. Chaudhary & Co.**
(Company Secretaries)

Place : Noida
Date : 30th July, 2015

Vineet K Chaudhary
FCS No. 5327
C P No. 4548

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

Annexure - A

To
The Members
V-Mart Retail Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc. Further, our verification to the compliance of the laws applicable specifically to the Company are limited to test check on random basis without going into the detailed technical scrutiny.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **V. K. Chaudhary & Co.**
(Company Secretaries)

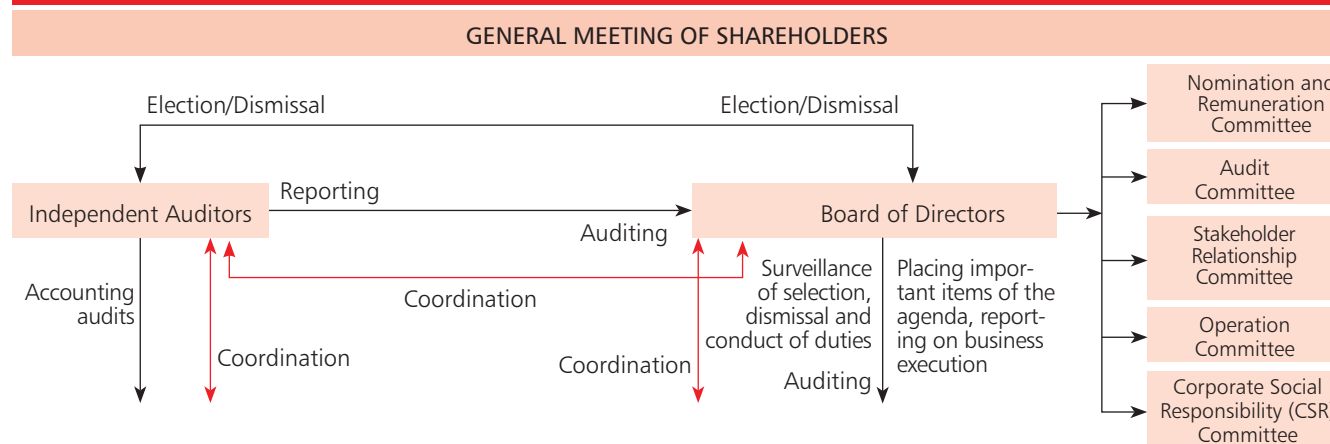
Place : Noida
Date : 30th July, 2015

Vineet K. Chaudhary
FCS No. 5327
C P No. 4548

CORPORATE GOVERNANCE REPORT

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

THE CORPORATE GOVERNANCE FRAMEWORK



INTERNAL AUDITING DIVISION

FRAMEWORK FOR EXECUTIVE OF BUSINESS

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

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

The Corporate Governance Report of the Company for the period of 12 months ended 31st March, 2015 is as follows :

BOARD OF DIRECTORS

Composition of Board

The composition of the Board as on 31st March, 2015 is as follows:

- 1) Executive Promoter Directors - 2
- 2) Non-Executive Directors
(Including Independent Directors) – 4

The composition of the Board is in conformity with the requirements of Clause 49 of the Listing Agreement.

Board Procedures

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

Number of Board Meetings

During the FY14-15, five Board Meetings were held. The maximum time gap between any two Board Meetings was not more than 120 days. These meetings were held on 01/05/2014, 21/07/2014, 12/09/2014, 31/10/2014 and 22/01/2015.

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

Name of Director	Category	No. of Board Meeting attended during 2014-15	No. of other directorships in public companies* as on 31/03/2015	Attendance in the last AGM	No. of Committee** positions held in other public companies as on 31/03/2015	
					Chairman	Member
Mr. Lalit Agarwal	Promoter Executive	5	-	Yes	-	-
Mr. Madan Gopal Agarwal	Promoter Executive	5	-	Yes	-	-
Mr. Hemant Agarwal	Promoter Non-Executive	5	-	Yes	-	-
Mr. Aakash Moondhra	Independent Non-Executive Director	5	-	Yes	-	-

Name of Director	Category	No. of Board Meeting attended during 2014-15	No. of other directorships in public companies* as on 31/03/2015	Attendance in the last AGM	No. of Committee** positions held in other public companies as on 31/03/2015	
					Chairman	Member
#Mr. Krishan Kumar Gupta	Independent Non-Executive Director	4	1	Yes	-	-
#Mr. Kamal Kumar Gupta	Independent Non-Executive Director	3	1	Yes	-	-
##Ms. Sonal Mattoo	Independent Non-Executive Director	1	3	N.A.	1	1
##Mr. Murli Ramachandran	Independent Non-Executive Director	1	1	N.A.	-	-

* Alternate directorships and directorships in private companies, foreign companies and Section 25 companies are excluded.

**Includes chairmanships/memberships of only Audit Committee and Stakeholder's Relationship Committee.

#Ceased to be member of the Board w.e.f. 22nd January, 2015.

Appointed as member of the Board w.e.f 22nd January, 2015.

No Director is a member of more than 10 Board-level Committees of public limited companies, nor is Chairman of more than five such Committees.

The Independence of a Director is determined by the criteria stipulated under Section 149(6) of Companies Act, 2013 and Clause 49 of the Listing Agreement as set out below :

Independent directors are non-executive directors as defined under Clause 49(II)(B)(1) of the Listing Agreement entered into with the Stock Exchanges. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under clause 49 of the Listing Agreement and Section 149 of the Act.

OR/AND

Independent Director in relation to the Company means Director other than a Managing Director or a Whole-time Director or a Nominee Director who:

(a) in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(b) (i) is or was not a promoter of the Company or its holding, subsidiary or associate company;

(ii) is not related to promoters or directors in the Company, its holding, subsidiary or associate company;

(c) has or had no pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters,

or directors, during the two immediately preceding financial years or during the current financial year;

(d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lac rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) neither himself nor any of his relatives -

(i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed of -

(A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;

(iii) holds together with his relatives two percent or more of the total voting power of the Company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the Company; or

(f) possesses such other qualifications as prescribed below:

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

Information provided to the Board

The information being provided to the Board includes :

- Annual operating plans and budgets and any update thereof;
- Capital budgets and any updates thereof;
- Quarterly results of the Company and its operating divisions and business segments;
- Minutes of meetings of the Audit Committee and other Committees of the Board;
- Appointment of Company Secretary or Chief Financial Officer;
- Materially important show cause, demand, prosecution and penalty notices;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Status of business risk exposures, its management and related action plans;

- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations; front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.;
- Sale of material nature of investments, subsidiaries and assets which is not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material; and
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

Details of Equity shares & convertible instruments held by the Directors in the Company as on 31st March, 2015 are as follows:

Name of Director*	No. of Equity Shares held
Mr. Lalit Agarwal	22,34,113
Mr. Madan Gopal Agarwal	6,86,375
Mr. Hemant Agarwal	8,76,290
Mr. Aakash Moondhra	924
Mr. Murli Ramachandran	Nil
Ms. Sonal Mattoo	Nil

*includes only as director not include HUF and spouse shares.

Code of Conduct

The Company Board has adopted a Code of Conduct for members of the Board and Senior Management ("Code"). The Code lays down, in detail, the standards of business conduct, ethics and governance.

A copy of the Code has been posted on the Company's website i.e. www.vmart.co.in.

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Chairman & Managing Director to this effect is given below :

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management an affirmation that they have complied with the Code in the financial year 2014-15.

Lalit Agarwal
Chairman & Managing Director

AUDIT COMMITTEE

The Company has constituted an Audit Committee in line with the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchange read with Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee includes:

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing the financial statements and draft audit report, including quarterly / half yearly financial information;
- v. Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval, with particular reference, but not restricted to :
 - a) Matters required to be included in the 'Director's Responsibility Statement' to be included in our Board's report in terms of Clause (3)(c) 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;
 - h) Going concern assumption; and
 - i) Compliance with the Indian GAAP and IFRS.
- vi. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- viii. Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit; discussion with internal auditors of any significant findings and follow-up thereon;
- ix. Discussion with internal auditors of any significant findings and follow up there on;
- x. 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;
- xi. 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;
- xii. To review the functioning of the 'Whistle Blower' Mechanism, in case the same is existing;
- xiii. Approval of appointment of CFO i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background of the candidate;
- xiv. To investigate into any matter in relation to the items specified in Section 177 of the Companies Act, 2013 or in the reference made to it by the board and for this purpose the committee shall have full access to information contained in the records of the Company;
- xv. Reviewing the financial statements, in particular, the investments made by the unlisted subsidiary companies of our Company;
- xvi. To seek information from any employee;
- xvii. To obtain outside legal or other professional advice;
- xviii. To secure the attendance of outsiders with relevant expertise, if it considers necessary;
- xix. Carrying out any other function as is mentioned in the

terms of reference of the Audit Committee and to carry out any other function statutorily required to be carried out by the Audit Committee as per applicable laws;

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial information and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review

by the Audit Committee; and

- Financial statements, in particular, the investments made by the unlisted subsidiary company.

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

During the FY14-15 four Audit Committee Meetings were held. The meetings were held on 01/05/2014, 21/07/2014, 31/10/2014 and 22/01/2015. The time gap between any two meetings was less than 120 days.

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

Name of Members	Category	Status	No. of meeting attended
Mr. Krishan Kumar Gupta*	Independent	Chairman	3
Mr. Aakash Moondhra **	Independent	Chairman	4
Mr. Kamal Kumar Gupta*	Independent	Member	2
Mr. Murli Ramachandran***	Independent	Member	1
Ms. Sonal Mattoo***	Independent	Member	1

*Ceased to be chairman/member of the Committee w.e.f. 22nd January, 2015. ** Newly appointed chairman of the Committee.

*** Newly appointed as members w.e.f. 22nd January, 2015

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

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

NOMINATION & REMUNERATION COMMITTEE

The Company has constituted Nomination & Remuneration Committee in accordance with provisions of Section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.

BRIEF DESCRIPTION OF TERMS

The Committee review and recommend to the Board, the remuneration packages of the Chairman & Managing Director and other Executive Directors. Such recommendations are made considering the overall performance and annual financial results of the Company.

The Nomination & Remuneration Committee met six times on 28/04/2014, 21/07/2014, 29/09/2014, 31/10/2014, 05/01/2015, 22/01/2015 during the FY14-15.

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

Name of Members	Category	Status	No. of meeting attended
Mr. Kamal Kumar Gupta *	Independent	Chairman	4
Mr. Aakash Moondhra	Independent	Member	6
Mr. Krishan Kumar Gupta *	Independent	Member	5
Mr. Murli Ramachandran **	Independent	Chairman	1
Ms. Sonal Mattoo***	Independent	Member	1

*Ceased to be member of the Committee w.e.f. 22nd January, 2015. ** Newly appointed chairman of the Committee.

*** Newly appointed as member w.e.f. 22nd January, 2015

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

REMUNERATION TO DIRECTORS

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

The Non-Executive Directors (Including Independent Directors) are only paid sitting fees of ₹20,000/- till December, 2014, further w.e.f. 22nd January, 2015 the sitting fee has been revised to ₹50,000/- per meeting for attending the meetings of the Board.

The details of remuneration paid (including commission due as on 31/03/2015 but not paid) to the Directors for the period of 12 months ended on 31st March, 2015 are given below:

(₹ in lac)					
Name of Members	Salary	Commission	Value of perquisites u/s 17(2) of the Income tax Act, 1961	Sitting Fee	Total Amount
Mr. Lalit Agarwal	54.00	57.58	N.A.	N.A.	111.58
Mr. Madan Gopal Agarwal	18.00	19.00	N.A.	N.A.	37.00
Mr. Hemant Agarwal***	29.13	31.28	N.A.	N.A.	60.41
Mr. Krishan Kumar Gupta*	Nil	Nil	N.A.	0.90	0.90
Mr. Kamal Kumar Gupta*	Nil	Nil	N.A.	0.67	0.67
Mr. Aakash Moondhra	Nil	Nil	N.A.	1.46	1.46
Mr. Murli Ramachandran**	Nil	Nil	N.A.	0.56	0.56
Ms. Sonal Mattoo**	Nil	Nil	N.A.	0.56	0.56

*Resigned w.e.f. 22nd January, 2015.

**Appointed w.e.f. 22nd January, 2015.

***Salary drawn upto 21st January, 2015

Mr. Madan Gopal Agarwal is the father of Mr. Lalit Agarwal and Mr. Hemant Agarwal, Directors of the Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has constituted Stakeholders Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement. The Stakeholders Relationship Committee has been constituted to specifically look into the redressal of Shareholder and Investor complaints and other Shareholder related issues. The Committee approves transfer, transmission of shares and issues like split, sub-division, consolidation of securities, issue of duplicate share certificates, dematerialization / re-materialization of shares etc.

The Stakeholders Relationship Committee comprises of two Non-Executive Director (Including Independent Director) and two Executive Directors. The meeting of the committee was held on 28/04/2014 during the FY14-15. The composition and attendance of the Stakeholders Relationship Committee are as under :

Name of Members	Category	Status	No. of Meeting attended
Mr. Krishan Kumar Gupta*	Independent	Chairman	NIL
Mr. Lalit Agarwal	Promoter Executive	Member	1
Mr. Madan Gopal Agarwal	Promoter Executive	Member	1
Mr. Hemant Agarwal	Promoter Non-Executive	Member	1
Ms. Sonal Mattoo**	Independent	Chairperson	NIL

*Ceased to be member/chairman of the Committee w.e.f 22/01/2015

** Newly appointed Chairperson of the committee w.e.f 22/01/2015

The details of Shareholders' queries/complaints received and resolved during the year under review are given below:

Particulars	Complaints
Received during the year	2
Disposed off during the year	2
Remaining unresolved as on 31st March, 2015	Nil

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with Section 135 of the Companies Act, 2013 read with (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors in its meeting held on 1st May, 2014 to formally look into the current CSR activities of the Company in line with requirements of the Companies Act, 2013.

The meeting of the committee held on 21/07/2014 during the FY14-15. The composition and attendance of Corporate Social Responsibility Committee are as under:

Name of Member	Category	Status	No. of Meetings attended
Mr. Lalit Agarwal	Promoter Executive	Chairman	1
Mr. Madan Gopal Agarwal	Promoter Executive	Member	1
Mr. Aakash Moondhra	Independent	Member	1
Ms. Sonal Mattoo	Independent	Member	-

COMPLIANCE OFFICER

Mr. Sudhir Kumar, Company Secretary, is the Compliance Officer for complying with the requirements of Securities Laws and Listing Agreements with the Stock Exchanges in India.

GENERAL BODY MEETINGS

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

Financial Year	Day & Date	Time	Location of the Meeting	Special Resolution Passed
2013-14	Tuesday, 23rd September, 2014	10:00 a.m.	YMCA Tourist Hostel, Jai Singh Road, New Delhi-110001	Yes
2012-13	Monday, 30th September, 2013	10:00 a.m.	Tecnia Institute of Teacher Education, F-19, Sector-8, Rohini, Delhi -110085	No
2011-12	Wednesday, 10th July, 2012	11:00 a.m.	F-11, Udyog Nagar Industrial Area, Peeragarhi, New Delhi-110041	Yes

During the period of last three years an Extra-Ordinary General Meeting of the members was held on 22nd May, 2012.

POSTAL BALLOT

During the year under review no resolution was passed through postal ballot.

INFORMATION TO SHAREHOLDERS

- Date, time and Venue of the 13th Annual General Meeting:**
Tuesday, 29th September, 2015 at 9:30 a.m.
At Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sector -12, R.K. Puram, New Delhi - 110022
- Financial Year:**
1st April to 31st March
- Date of Book Closure:**
From 23rd September, 2015 to 29th September, 2015 (both days inclusive)
- Dividend:**
The Board of Directors of the Company has recommended a dividend of ₹1.5/- per equity share, if approved, at the ensuing Annual General Meeting, will be paid/credited to

those members/beneficial owners whose names appear on the register of members/depository records as on 22nd September, 2015.

The dividend, if approved, at the ensuing Annual General Meeting, shall be paid within stipulated time as prescribed in the law.

- Registered office:**
610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, New Delhi - 110092.
- Corporate office:**
Plot No. 862, Udyog Vihar Industrial Area, Phase V, Gurgaon-122016 (Haryana)

LISTING IN STOCK EXCHANGES

The Equity Shares of the Company are listed in the following Stock Exchanges:

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

"Exchange Plaza"
Bandra-Kurla Complex
Bandra (E), Mumbai-400 051
Scrip Code: VMART

BSE LIMITED

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001
Scrip code: 534976
ISIN No. INE665J01013

LISTING FEES

Listing fees, as prescribed for the FY15-16, has been paid to all Stock Exchanges where the shares of the Company are listed.

SHAREHOLDER'S ISSUE

The Shareholder's may send their queries to the e-mail address – compliance@vmart.co.in, proactively managed by the Company under the For Investor Section of Company's website.

ANALYST

Analyst may schedule their conference calls and meeting with :

- 1) Mr. Deepak Sharma, Chief Financial Officer and
- 2) Mr. Girish Garg, Finance Controller
through the e-mail address compliance@vmart.co.in
under the For Investor Section of Company's website.

STOCK MARKET DATA

Monthly High and Low Share Price of V-Mart Retail Ltd. for the 2014-2015 at BSE and NSE

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-14	368	276.5	375	275
May-14	355	290	340	295
Jun-14	372.95	298.05	374.4	300
Jul-14	400	335.05	399.9	334.6
Aug-14	470	350	474	341.05
Sep-14	605.6	463.05	609	457
Oct-14	606	520	637.4	510.05
Nov-14	569.95	490.4	572	499.2
Dec-14	558.5	490	572.9	465.5
Jan-15	600	486	594.95	487
Feb-15	652	513.2	650	500
Mar-15	600	518	607	515

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015

Sl. No.	Category	Total Shares	% To Equity
1	PROMOTERS HOLDING (INCLUDING EMPLOYEES)	10339216	57.39%
2	FOREIGN INSTITUTIONAL INVESTORS	4157436	23.08%
3	BODIES CORPORATES	1109009	6.16%
4	MUTUAL FUNDS	1128386	6.26%
5	RESIDENT INDIVIDUALS	1027991	5.71%
6	NON RESIDENT INDIANS	177861	.99%
7	HUF	38794	.22%
8	CLEARING MEMBERS	6886	.04%
9	BANK	110	.00%
10	FOREIGN PORTFOLIO INVESTMENT	30,000	.17%
	TOTAL	18015689	100.00%

DISTRIBUTION SCHEDULE AS ON 31/03/2015

Sl. No.	Category	Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	3090	89.59	2976360.00	1.65
2	5001 - 10000	158	4.58	1237780.00	0.69
3	10001 - 20000	86	2.49	1247500.00	0.69
4	20001 - 30000	22	0.64	540220.00	0.30
5	30001 - 40000	12	0.35	419370.00	0.23
6	40001 - 50000	12	0.35	548860.00	0.30
7	50001 - 100000	21	0.61	1604420.00	0.89
8	100001 & ABOVE	48	1.39	171582380.00	95.24
	Total	3449	100.00	180156890.00	100.00

UNCLAIMED SHARES

Disclosure as required under Clause 5A of Listing Agreement is given below:-

- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year: Nil
- Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year: Nil
- Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year: Nil
- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year: Nil

DEMATERIALIZATION OF SHARES

The shares of the Company are in the compulsory demat segment. The Reconciliation of the Share Capital Audit Report of the Company obtained from the Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time period. The below mentioned table contains detail break – up of share capital, held in dematerialized or physical mode, of the Company as on 31st March, 2015.

No. of shares held in dematerialized and physical mode :

Sr. No.	Particulars	Number of Shares	% of Total issued Capital
1	Shares held in dematerialized form in CDSL	7541351	41.86
2	Shares held in dematerialized form in NSDL	10474270	58.14
3	Shares held in physical form	68	00
	Total	18015689	100.00%

OUTSTANDING GDRS / ADRS / WARRANTS / OPTIONS

The Company has not issued any GDRs or ADRs or Warrants or Convertible instruments.

REGISTRAR AND SHARE TRANSFER AGENT

The Company in compliance with SEBI guidelines has appointed a common Share Transfer Agent for both the physical and electronic form of Shareholding. The Company's Registrar and Share Transfer Agent (RTA) namely, Karvy Computershare Private Limited can be contacted at the following address:

Karvy Computershare Private Limited

'Karvy Selenium Tower B', Plot No. 31 & 32
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032.

Tel No.: +91 40-67162222 Toll Free: 1800 0345 4001

Fax No.: +91 40-2331-1968

Email: support@karvy.com

Website: www.karvy.com

SHARE TRANSFER SYSTEM

The Company's shares held in the dematerialized form are electronically traded in the Depository. In the case of transfers in physical form which are lodged at the above offices of the Registrar and Share Transfer Agent, such transfers are processed within the stipulated time period. All share transfers are approved by the officials authorized by the Board and thereafter ratified by the Stakeholders Relationship Committee at its next meeting.

DIVIDEND INTIMATION THROUGH E-MAIL

In order to protect the environment and as a "Go Green" Initiative, the Company has taken initiative of sending intimation of dividend for FY14-15 by e-mail. Physical credit intimation will be sent to only those shareholders whose e-mail addresses are not registered with the Company and for the bounced e-mail cases. Shareholders are requested to register their e-mail addresses with Karvy Computershare Private Limited (for shares held in physical form) and with their Depository Participant

(for shares held in electronic form) for receiving dividend credit intimation on e-mail.

COMMUNICATION

Financial Results

The Results of the Company are furnished to the Stock Exchanges on a periodic basis (quarterly, half yearly and annually) after the approval of the Board of Directors.

The results are normally published in “Financial Express or Mint”- English Daily and “Jansatta or Rashtrya Sahara” - Hindi Newspaper within 48 hours after the approval by the Board.

The details of the publications of the financial results in the year under review are as under :

Description	Date
Unaudited financial results for the first quarter ended 30th June, 2014	22nd July, 2014
Unaudited financial results for the second quarter and the half year ended 30th September, 2014	1st November, 2014
Unaudited financial results for the third quarter and the nine months ended 31st December, 2014	24th January, 2015
Audited financial results for the fourth quarter and the year ended 31st March, 2015	5th May, 2015

The details of the financial results and share holding pattern are hosted on the Company’s website: www.vmart.co.in. All other official news and press releases are displayed on the same website.

The Annual Report, Quarterly Results and Shareholding Pattern of the Company are also posted by the BSE and NSE on their websites.

PRACTISING COMPANY SECRETARY’S CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a Certificate from the Practising Company Secretary regarding compliance of conditions of Corporate Governance, as mandated in Clause 49. The certificate is annexed to this Report.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted the code of conduct to regulate, monitor and report trading by insiders as per the SEBI (Prohibition of Insider Trading) Regulations, 2015 for prevention of Insider Trading. The code prohibits purchase / sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. The V-Mart Insider code is available on the Company’s corporate website.

DISCLOSURES

Disclosures of related party transactions: There have been no significant material related party transactions. The related party transactions are disclosed in the Notes to the Accounts in this Annual Report. All details relating to business transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussions nor do they vote on such matters

Details of non-compliance by the Company: During the last three years, there has been no instance of non-compliance by the Company on any matter related to capital markets and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

CEO/CFO Certification: Managing Director and Chief Financial Officer have certified to the Board with respect to the financial statements, internal controls and other matters as required under Clause 49 of the Listing Agreement with the Stock Exchanges.

There was no pecuniary relationship or transactions of Non-executive Directors vis a vis the Company.

The Company has complied with all mandatory requirements and adopted non mandatory requirements as mentioned hereunder.

WHISTLE BLOWER / VIGIL MECHANISM

The Company has established a Vigil Mechanism / Whistle Blower Policy. The purpose of this mechanism is to provide a framework to report concern about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethic’s policy and provide adequate safeguards against victimisation of the person availing this mechanism. This policy has been appropriately communicated within the organisation and is effectively operational. This policy provides mechanism whereby Whistle Blower may send protected disclosure directly to the Chairman of Audit Committee.

NON-MANDATORY REQUIREMENTS

Chairman of the Board: The Board of Directors of the Company had appointed Mr. Lalit Agarwal as Chairman & Managing Director of the Company. As there is no separate office of the Chairman being maintained, no reimbursement of expenses is being made for maintenance of separate Chairman’s office.

Shareholders’ Rights / Information: Information like financial results, official news releases, press releases, presentation to analyst etc. is displayed on the Company’s website. i.e. www.vmart.co.in.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members
V-MART RETAIL LIMITED

We have examined the compliance of conditions of Corporate Governance by **V-Mart Retail Limited** ("the Company") for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreements of the Company entered into with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

For **V.K. Chaudhary & Co.**
Company Secretaries

Place : Noida
Date : 30th July, 2015

Vineet K. Chaudhary
FCS No. 5327
CP No.- 4548

Financial Section

Independent Auditor's Report

To the Members of V-Mart Retail Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of V-Mart Retail Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which

are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

9. As required by Section 143(3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 financial statements 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 (as amended);
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- f. 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. as detailed in Note 36 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Place: Gurgaon
Date: 4 May 2015

per **Sumit Mahajan**
Partner
Membership No.: 504822

Annexure to the Independent Auditor's Report of even date to the members of V-Mart Retail Limited, on the financial statements for the year ended 31 March 2015

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and material discrepancies noticed on physical verification have been properly dealt with in the books of account.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount Paid Under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax	6,885,520	3,768,918	1 June 2007 to 31 March 2010	Supreme Court of India
Income Tax Act, 1961	Income tax	1,456,510	-	Financial year 2008-09	Commissioner of Income Tax (Appeals), Kolkata
Income Tax Act, 1961 *	Income tax	837,560	-	Financial year 2011-12	Deputy Commissioner of Income Tax, Kolkata
The Punjab Value Added Tax Act, 2005	Value added tax	689,900	131,904	Financial year 2012-13	Assistant Excise and Taxation Commissioner, Jalandhar

Name of the statute	Nature of dues	Amount (₹)	Amount Paid Under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	866,320	866,320	Financial year 2011-12	Appellate Tribunal, Lucknow
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	613,677	613,677	Financial year 2012-13	Assistant Commissioner, Commercial Tax, Ghaziabad
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	876,000	876,000	Financial year 2013-14	Assistant Commissioner Tax, Muzaffarnagar
The Uttarakhand Value Added Tax Act, 2005	Value added tax	413,000	413,000	Financial year 2014-15	Deputy Commissioner (Appeals), Dehradun
The Bihar Value Added Tax Act, 2005 **	Value added tax	3,990,423	3,990,423	Financial year 2013-14	Deputy Commissioner, Patliputra Anchal, Patna
The Bihar Value Added Tax Act, 2005	Value added tax	102,685	102,685	Financial year 2014-15	Assistant Commissioner Commercial Tax, Dalkola (Purnia)
The Uttar Pradesh Value Added Tax Act, 2008 ***	Value added tax	268,500	268,500	Financial year 2014-15	Mobile Squad, Meerut

* The Company has received a notice of demand under section 156 of the Income Tax Act, 1961 wherein a demand of ₹837,560 has been raised on the Company, however the management has not accepted such demand and has represented that they are in process of filing an appeal under section 246A of the Income Tax Act, 1961 with Commissioner of Income Tax (Appeals). Accordingly, the amount has been considered to have been disputed.

** The Company has received a notice of demand under section 47 of the Bihar Value Added Tax, 2005 wherein a demand of ₹3,990,423 has been raised on the Company, however the management has not accepted such demand and has represented that they are in process of filing a writ petition to Patna High Court against the notice received. Accordingly, the amount has been considered to have been disputed.

*** The Company has received an adjustment order under section 54(1)(14) (dated 10 April 2015) of the UP Value Added Tax, 2014 from the Joint Commissioner (Commercial Tax), Muzaffar Nagar wherein the demand of ₹268,500 raised earlier has been reversed subsequent to the year-end.

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) There are no dues payable to financial institutions or debenture-holders. The Company has defaulted in repayment of dues to the following bank:

Name of the bank	Amount (₹)	Due date	Delay in days
ICICI Bank			
- Principal	34,554	1 March 2015	16
- Interest	2,592	1 March 2015	16

- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Place: Gurgaon
Date: 4 May 2015

per Sumit Mahajan
Partner
Membership No.: 504822

Balance Sheet as at 31 March 2015

(Amounts in ₹)

	Notes	As at 31 March 2015	As at 31 March 2014
I. Equity and Liabilities			
Shareholder's funds			
Share capital	3	180,156,890	179,587,780
Reserves and surplus	4	1,869,233,199	1,521,976,145
		2,049,390,089	1,701,563,925
Non-current liabilities			
Long-term borrowings	5	15,249,514	1,744,148
Long term provisions	6	14,709,337	11,721,775
Other non-current liabilities	7	49,673,683	19,164,841
		79,632,534	32,630,764
Current liabilities			
Short-term borrowings	8	286,283,460	433,425,221
Trade payables		751,799,137	647,133,542
Other current liabilities	9	69,539,728	75,389,746
Short-term provisions	10	52,961,947	45,905,074
		1,160,584,272	1,201,853,583
		3,289,606,895	2,936,048,272
II. Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	965,442,228	691,056,329
Intangible assets	12	15,210,814	8,566,396
Capital work-in-progress		7,207,558	10,074,606
Non-current investments	13	55,300,000	150,000,000
Deferred tax assets (net)	14	6,428,131	21,664,408
Long term loans and advances	15	157,333,812	127,887,107
Other non-current assets	16	653,406	716,813
		1,207,575,949	1,009,965,659
Current assets			
Current investments	17	162,700,000	192,392,977
Inventories	18	1,832,027,476	1,676,974,385
Cash and bank balances	19	33,555,800	23,229,359
Short-term loans and advances	20	53,063,492	33,293,481
Other current assets	21	684,178	192,411
		2,082,030,946	1,926,082,613
		3,289,606,895	2,936,048,272

Notes 1 to 50 form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP
(formerly Walker, Chandio & Co)
Chartered Accountants

per Sumit Mahajan
Partner

Place: Gurgaon
Date : 4 May 2015

For and on behalf of the board of directors of
V-Mart Retail Limited

Madan Gopal Agarwal
Director
DIN No. 02249947

Deepak Sharma
Chief Financial Officer

Lalit Agarwal
Managing Director
DIN No. 00900900

Sudhir Kumar
Company Secretary
Membership No. A25125

Statement of Profit and Loss for the year ended 31 March 2015 (Amounts in ₹)

	Notes	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue			
Revenue from operations	22	7,205,022,243	5,749,594,035
Other income	23	18,960,788	7,135,629
		7,223,983,031	5,756,729,664
Expenses			
Cost of raw material consumed	24	6,936,482	10,789,277
Production expense	25	2,514,229	6,612,855
Purchase of traded goods and other direct expenses	26	5,243,613,817	4,599,520,966
Increase in inventories	27	(173,684,550)	(576,231,522)
Employee benefits expenses	28	489,363,840	383,373,777
Other expenses	29	995,750,042	803,051,864
Prior period items	30	(737,857)	-
		6,563,756,003	5,227,117,217
Earnings before interest, tax, depreciation and amortization (EBITDA)		660,227,028	529,612,447
Depreciation and amortization expense	31	45,653,727	108,943,695
Finance costs	32	43,095,585	42,440,486
Profit before extra-ordinary items and tax		571,477,716	378,228,266
Extra-ordinary items	33	18,175,836	-
Profit after extra-ordinary items and before tax		553,301,880	378,228,266
Tax expense			
- Current tax		164,395,000	141,063,000
- Deferred tax		15,236,277	(14,406,883)
Total tax expense		179,631,277	126,656,117
Profit after tax		373,670,603	251,572,149
Earnings per equity share	34		
- Basic		20.78	14.01
- Diluted		20.78	14.01
Notes 1 to 50 form an integral part of these financial statements.			

This is the Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

per **Sumit Mahajan**
Partner

Place: Gurgaon
Date : 4 May 2015

For and on behalf of the board of directors of
V-Mart Retail Limited

Madan Gopal Agarwal
Director
DIN No. 02249947

Deepak Sharma
Chief Financial Officer

Lalit Agarwal
Managing Director
DIN No. 00900900

Sudhir Kumar
Company Secretary
Membership No. A25125

Cash Flow Statement for the year ended 31 March 2015

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
A. Cash Flows from Operating Activities		
Net profit before tax and after prior period items	553,301,880	378,228,266
Adjustment for:		
Depreciation and amortization	45,653,727	108,943,695
Stock written off	132,978,653	92,883,642
Extra-ordinary items	18,175,836	-
Loss on sale of fixed assets	-	860,220
Loss on revaluation of current investments	-	2,387,349
Fixed assets written off	1,415,896	863,695
Loss from theft	33,200	259,000
Rent straight-line expense	29,897,949	21,204,755
Employee stock option scheme	274,162	-
Balances written off	1,676,004	-
Interest expense	36,938,802	37,056,464
Dividend income	-	(1,703,498)
Interest income	(944,878)	(723,587)
Liabilities written back	(5,033,220)	(294,095)
Corporate social responsibility	(2,100,000)	-
Profit on sale of investments	(18,015,910)	-
Prior period income (net)	(737,857)	-
Operating profit before working capital changes	793,514,244	639,965,906
Movements in working capital :		
Increase in trade payables	109,698,815	268,825,039
Increase/(decrease) in other current liabilities and provisions (current and non current)	12,801,808	15,658,553
Increase in inventories	(301,225,861)	(662,611,299)
Increase in long-term loans and advances	(28,197,727)	(42,661,968)
(Increase)/decrease in short-term loans and advances	(19,770,010)	11,031,100
Cash generated from operations	566,821,269	230,207,331
Taxes paid	(167,378,639)	(120,000,000)
Net cash flow from operating activities	399,442,630	110,207,331
B. Cash Flows from Investing Activities		
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(335,460,345)	(333,014,817)
Purchase of investments	(218,000,000)	(344,780,326)
Proceeds from sale of investments	362,796,236	406,396,776
Dividend income	-	1,703,498
Proceeds from sale of fixed assets	-	1,140,162
Interest received	395,217	929,941
Redemption of/(investment in) bank deposits (having original maturity of more than three months)	(1,323,009)	176,076
Decrease/(Increase) in pledged fixed deposits	1,065,206	(3,199,092)
Net cash flow used in investing activities	(190,526,695)	(270,647,782)

Cash Flow Statement for the year ended 31 March 2015

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
C. Cash Flows from/(used in) Financing Activities		
Proceeds from issue of shares including securities premium	8,536,650	-
Repayment of long term borrowings	(2,413,813)	(19,950,436)
(Repayments of)/proceeds from short term borrowings (net)	(147,141,761)	103,384,708
Equity dividend paid	(17,958,778)	(17,958,778)
Corporate dividend tax paid	(3,052,094)	(3,052,095)
Finance charges	(36,938,802)	(39,015,337)
Net cash flow from/(used in) financing activities	(198,968,598)	23,408,062
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	9,947,337	(137,032,389)
E. Cash and cash equivalents at the beginning of the year	16,389,481	153,421,870
F. Cash and cash equivalents at the end of the year (D+E) {refer note (b) below}	26,336,818	16,389,481

Notes:

a) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statements' as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

b) Cash and cash equivalents comprises of:

Balances with banks in:		
- Current accounts	4,308,348	1,688,399
Cash in hand	22,028,470	14,701,082
Deposits with original maturity for more than 3 months but less than 12 months	1,659,871	236,862
Margin money deposits	5,559,111	6,603,016
	33,555,800	23,229,359
Less:		
Deposits with original maturity for more than 3 months but less than 12 months	(1,659,871)	(236,862)
Margin money deposits	(5,559,111)	(6,603,016)
Total of cash and cash equivalents	26,336,818	16,389,481

This is the Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

per **Sumit Mahajan**
Partner

Place: Gurgaon
Date : 4 May 2015

For and on behalf of the board of directors of
V-Mart Retail Limited

Madan Gopal Agarwal
Director
DIN No. 02249947

Deepak Sharma
Chief Financial Officer

Lalit Agarwal
Managing Director
DIN No. 00900900

Sudhir Kumar
Company Secretary
Membership No. A25125

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

1. Corporate Information

V-Mart Retail Limited (the "Company") was incorporated on 24 July 2002. The Company retails readymade garments, accessories etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various places in India.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with the 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 on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of 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) Fixed assets

Tangibles

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Stores under commissioning and other assets under erection/installation are shown under capital work in progress and are carried at cost, comprising of direct cost and related incidental expenses.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on tangible fixed assets

Till the year ended 31 March 2014, the useful lives prescribed under Schedule XIV of Companies Act, 1956 were used for charging depreciation. With effect from current year, schedule XIV has been replaced by Schedule II of Companies Act, 2013. Schedule II of Companies Act, 2013 prescribed the useful lives of fixed asset which, in many cases, are different from lives prescribed under Schedule XIV.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

Depreciation on fixed assets is provided on the straight-line method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use subject to adjustments arising out of transitional provisions of Schedule II.

Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets – the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in the Schedule II, based on the technical advice received.

Assets category	Useful life estimated by the management based on technical advice received (years)	Useful Life as per Schedule II (years)
Plant and equipment	5-10 years	15 years
Office equipment	5 years	5 years
Computers	3-6 years	Servers and networks – 6 years End user device – 3 years
Furniture and fixtures	9-10 years	10 years
Vehicles	8-10 years	10 years

Cost of the leasehold improvements are amortized over the period of the lease.

Depreciation on intangible assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

(c) Leases

Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Lease payments under an operating lease are recognized as an expense in the Statement of Profit and Loss on a straight-line method over the lease term.

Finance lease

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased asset, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the lessee's incremental borrowing rate.

(d) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

(e) Impairment

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the Statement of Profit and Loss.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

For current investments, any reduction to fair value and any reversal of such reductions are included in the statement of profit and loss. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(g) Inventories

Inventories are valued as follows

Raw materials and packing materials are valued at lower of cost and net realizable value. Cost is determined based on first in first out method.

Finished goods are valued at lower cost and net realizable value. Cost includes direct materials, labour, and all other costs of purchase incurred in bringing the inventories to their present location and condition. Cost is determined based on first in first out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(h) Revenue recognition

Revenue from sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer i.e. on delivery of goods to customers, revenue is recognized net of returns and trade discounts.

Others

- Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.
- Store display income and insurance claims are accounted on receipt basis.
- Dividend income is recognized when the right to receive payment is established.

(i) Foreign currency transactions:

Monetary items at the Balance Sheet date are translated using the rates prevailing on the Balance Sheet date. Transactions in foreign currency and non-monetary assets/liabilities are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted at the period-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognized in the Statement of Profit and Loss.

(j) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15- Employee Benefits (Revised 2005).

Provident fund

The Company contributes on a defined contribution basis to Employees' Provident Fund and Employees' State Insurance Fund towards post-employment benefits, all of which are administered by the respective Government authorities, and has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date, together with

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the year to which such gains or losses relate.

Compensated absences

Provision for compensated absences when determined to be a long term benefit is made on the basis of actuarial valuation as at the end of the year using projected unit credit method by an independent actuary. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses arise. Provision related to short term compensated absences of workers is made on the basis of actuarial valuation as at the end of the year.

Other short term benefits

Expense in respect of other short term benefits including performance bonus is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Employee Stock Option Scheme (ESOP)

Expense in respect of stock options granted to the employees under the stock options schemes is measured at intrinsic value of the stock options in accordance with the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India. Accordingly, the excess of market price, determined as per the guidance note, of underlying equity shares (fair value), over the exercise price of the options is recognized as deferred stock compensation expense and is charged to Statement of Profit and Loss on a straight line basis over the vesting period of the options.

(k) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized 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 balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets 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 balance sheet date. The Company writes-down the carrying amount of a 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.

(l) Minimum Alternate Tax (MAT)

Minimum alternate tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

(m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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 dilutive potential equity shares.

(n) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(o) 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 statement.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term bank deposits with an original maturity of three months or less.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

3. Share Capital

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
Authorized		
20,000,000 (Previous year 20,000,000) equity shares of ₹10 each	200,000,000	200,000,000
Issued, subscribed and fully paid up shares		
18,015,689 (Previous year 17,958,778) equity shares of ₹10 each	180,156,890	179,587,780
	180,156,890	179,587,780

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2015		As at 31 March 2014	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	17,958,778	179,587,780	17,958,778	179,587,780
Shares issued on exercise of Employee Stock Option Plan 2012 (ESOP)	56,911	569,110	-	-
Outstanding at the end of the year	18,015,689	180,156,890	17,958,778	179,587,780

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2015, dividend per equity share recognized as distributions to Equity shareholders is ₹1.50 (Previous year: Re. 1).

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.

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the five years immediately preceding the reporting date :

	2014-15	2013-14	2012-13	2011-12	2010-11
	Nos.	Nos.	Nos.	Nos.	Nos.
Equity shares allotted as fully paid bonus shares by capitalization of free reserves	Nil	Nil	6,606,842	Nil	Nil

d) Details of equity shareholders holding more than 5% shares in the Company as at 31 March 2015

Name of the Shareholder	As at 31 March 2015		As at 31 March 2014	
	Nos.	% holding	Nos.	% holding
Lalit Madangopal Agarwal	2,234,113	12.40	2,194,025	12.22
Sangeeta Agarwal	2,172,175	8.16	2,172,175	12.09
HSBC Bank (Mauritius) Limited A/c Jwalamukhi Investment Holding	1,788,102	9.93	1,788,102	9.96
Kotak Mahindra (International) Limited	1,709,002	9.49	1,539,081	8.57
Uma Devi Agarwal	1,355,460	7.52	1,355,460	7.55
Lalit Agarwal (HUF)	1,277,275	7.09	1,277,275	7.11
Madan Gopal Agarwal (HUF)	1,041,675	5.78	1,041,675	5.80

The above information is furnished as per shareholder register as at the year end.

e) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan 2012 (ESOP) of the Company, refer note 43.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

4. Reserves and Surplus

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
Amalgamation reserve	15,475,967	15,475,967
Securities premium account		
Balance at the beginning of the year	872,063,191	872,063,191
Add: Additions on ESOP exercised	7,967,540	-
	880,030,731	872,063,191
Employee stock options outstanding*		
Gross employee stock compensation for options granted	1,995,855	-
Less: Deferred employee stock compensation	(1,721,693)	-
	274,162	-
Surplus in the statement of profit and loss		
Balance at the beginning of the year	634,436,987	409,409,003
Add: Profit for the year	373,670,603	251,572,149
Less: Appropriations		
Transfer to general reserve		-
Proposed dividend on equity shares - ₹1.50 per share (previous year Re. 1 per share)*	27,023,534	22,688,290
Dividend distribution tax payable	5,531,717	3,855,875
Corporate social responsibility (refer note 49)	2,100,000	-
Net surplus in the statement of profit and loss	973,452,339	634,436,987
	1,869,233,199	1,521,976,145

* The Board of Directors of the Company, in their meeting dated 4 May 2015, recommended a dividend of ₹1.50 per equity share amounting to ₹27,023,534 subject to approval of the shareholders at the ensuing Annual General Meeting.

For details on Employee Stock Option Plan 2012 (ESOP) of the Company, refer note 43.

5. Long Term Borrowings

(Amounts in ₹)

	Non-current portion		Current maturities	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
Term loan				
Vehicle loans from banks (secured)	540,618	1,744,148	1,217,513	2,427,796
Finance lease obligations (secured)	14,708,896	-	2,818,449	-
	15,249,514	1,744,148	4,035,962	2,427,796
The above amount includes				
Secured borrowings	15,249,514	1,744,148	4,035,962	2,427,796
Amount disclosed under the head "other current liabilities" (note - 9)	-	-	(4,035,962)	(2,427,796)
Net amount	15,249,514	1,744,148	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

5. Long Term Borrowings

(a) Details of repayment, rate of interest and security for vehicle loans and finance lease obligations:-

As at 31 March 2015	Installments	Amount outstanding (including current maturities)	No. of installments	Installment amount	Date of loan/ lease	Rate of interest	Hypothecation of
Vehicle Loan	Monthly	14,529	36	15,300	31 March 2012	11%	Vehicle
Vehicle Loan	Monthly	30,640	36	30,930	31 March 2012	11%	Vehicle
Vehicle Loan	Monthly	90,445	36	23,120	31 July 2012	12%	Vehicle
Vehicle Loan	Monthly	89,176	36	22,796	31 July 2012	11%	Vehicle
Vehicle Loan	Monthly	250,791	36	37,146	07 November 2012	11%	Vehicle
Vehicle Loan	Monthly	641,275	36	35,165	20 November 2013	11%	Vehicle
Vehicle Loan	Monthly	641,275	36	35,165	20 November 2013	11%	Vehicle
Finance lease obligation	Monthly	17,527,345	60	469,080	01 October 2014	17%	Specific assets taken on finance lease

As at 31 March 2014	Installments	Amount outstanding (including current maturities)	No. of installments	Installment amount	Date of loan	Rate of interest	Hypothecation of
Vehicle Loan	Monthly	115,927	36	29,680	28 September 2011	12%	Vehicle
Vehicle Loan	Monthly	217,620	36	55,658	01 August 2011	11%	Vehicle
Vehicle Loan	Monthly	376,683	36	30,930	31 March 2012	11%	Vehicle
Vehicle Loan	Monthly	185,463	36	15,300	31 March 2012	12%	Vehicle
Vehicle Loan	Monthly	343,179	36	23,120	31 July 2012	11%	Vehicle
Vehicle Loan	Monthly	338,372	36	22,796	31 July 2012	11%	Vehicle
Vehicle Loan	Monthly	645,504	35	37,146	07 November 2012	11%	Vehicle
Vehicle Loan	Monthly	974,590	36	35,165	20 November 2013	11%	Vehicle
Vehicle Loan	Monthly	974,590	36	35,165	20 November 2013	11%	Vehicle

6. Long Term Provisions

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
Provision for gratuity (refer note - 41)	14,088,871	11,721,775
Provision for compensated absences (refer note - 41)	620,466	-
	14,709,337	11,721,775

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

7. Other Non-Current Liabilities

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
Rent straight-lining account (non-current portion)	49,673,683	19,164,841
	49,673,683	19,164,841

8. Short Term Borrowings

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
Cash credits from banks (secured)	286,283,460	433,425,221
	286,283,460	433,425,221
The above amount includes		
Secured borrowings	286,283,460	433,425,221
Unsecured borrowings	-	-

- (1) Fund based cash credit facility of ₹350,000,000 (previous year - ₹280,000,000) from State Bank of India carries an interest at base rate (10%) plus 125 basis point (1.25%) as on 31 March 2015 and is repayable on demand. The fund based credit facility has increased from ₹280,000,000 to ₹350,000,000 with effect from 18 September 2014. The outstanding as on 31 March 2015 is ₹199,690,926 (previous year - ₹250,918,971).

These facilities are secured by way of :-

- Primary - Hypothecation charge of stock of goods including goods in transit and all the present and future book debts, shared with Bank(s) under Consortium Arrangement.
- Collateral -
 - First pari passu charge to working capital lenders (except ICICI Bank) on all the present and future fixed assets of the Company.
 - First pari passu charge to working capital lenders (except ICICI Bank) on the following properties :-
 - Equitable mortgage of residential property in the name of Mr. Lalit Agarwal (Managing director) , Mrs. Sangeeta Agarwal (Wife of Mr. Lalit Agarwal) & Mr. Madan Gopal Agarwal (Director) in Gurgaon.
 - Equitable mortgage of residential property in the name of Mr. Hemant Agarwal (Director) and Mrs. Smiti Agarwal (Wife of Mr. Hemant Agarwal) in Ahmedabad has been substituted with SBI mutual funds of ₹12,900,000.
 - Equitable mortgage of residential property in the name of Smt. Prem Lata Jatia in New Delhi has been substituted with SBI mutual funds equivalent to ₹27,600,000.
 - Cash collateral of ₹3,800,000 in the form of pledge of fixed deposits receipts in the name of Mr. Lalit Agarwal (Managing director), Mr. Hemant Agarwal (Director), Mr. Madan Gopal Agarwal (Director).

Further, personal guarantees have been given by Mr. Lalit Agarwal (Managing director), Mr. Hemant Agarwal (Director), Mr. Madan Gopal Agarwal (Director), Mrs. Sangeeta Agarwal (Wife of Lalit Agarwal) and Mrs. Smiti Agarwal (Wife of Hemant Agarwal)."

- (2) Fund based cash credit facility of ₹117,512,500 (previous year - ₹279,804,198) from Deutsche Bank AG carries an interest at the rate MIBOR plus 1.5% or Deutsche Bank base rate (9.65%) whichever is higher as on 31 March 2015 and is repayable on demand. The outstanding balance as on 31 March 2015 is of ₹86,592,534 (previous year - ₹182,506,250)

This facility is secured by the way :

Approved Mutual funds(Debts/ Income/ Liquid/ FMP) and bonds in the name of the Company.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

9. Other Current Liabilities

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
Current maturities of long-term liabilities (refer note - 5)	1,217,513	2,427,796
Current maturities of finance lease obligation (refer note - 5 and 40)	2,818,449	-
Creditors for fixed assets	17,774,102	21,280,224
Rent straight-lining account (current portion)	1,429,021	2,039,914
Employee related payables	18,479,791	23,337,759
Statutory liabilities	27,820,852	26,304,053
	69,539,728	75,389,746

10. Short Term Provisions

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
Income tax [net of prepaid taxes ₹152,500,000 (previous year: ₹120,000,000)]	19,085,559	21,063,000
Provision for gratuity (refer note - 41)	1,229,995	1,130,581
Provision for compensated absences (refer note - 41)	91,142	2,700,621
Proposed equity dividend [₹1.50 per share (previous year Re. 1 per share)]	27,023,534	17,958,778
Dividend distribution tax -payable	5,531,717	3,052,094
	52,961,947	45,905,074

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

11. Tangible Assets

(Amounts in ₹)

	Plant and equipment	Office equipment	Leasehold improvements	Computers	Furnitures and fixtures	Vehicles	Total
Gross block							
As at 1 April 2013	270,707,944	20,986,074	71,137,743	40,375,094	332,390,328	19,979,411	755,576,594
Additions	113,394,063	20,892,174	37,122,508	15,897,226	140,010,533	2,665,962	329,982,466
Disposals	(1,318,295)	-	(1,527,397)	-	(3,447,583)	-	(6,293,275)
As at 31 March 2014	382,783,712	41,878,248	106,732,854	56,272,320	468,953,278	22,645,373	1,079,265,785
As at 1 April 2014	382,783,712	41,878,248	106,732,854	56,272,320	468,953,278	22,645,373	1,079,265,785
Additions	135,409,345	7,650,675	22,626,340	14,965,933	147,285,819	-	327,938,112
Disposals/adjustments #	16,476,117	(14,928,988)	(2,526,837)	6,428,543	(16,581,220)	-	(11,132,385)
As at 31 March 2015	534,669,174	34,599,935	126,832,357	77,666,796	599,657,877	22,645,373	1,396,071,512
Accumulated depreciation							
As at 1 April 2013	95,628,963	4,299,301	16,727,188	28,207,276	131,583,710	9,110,976	285,557,414
Charge for the year	32,309,201	3,829,912	9,301,633	8,577,374	48,926,678	3,136,442	106,081,240
Disposals	(657,403)	-	(663,702)	-	(2,108,093)	-	(3,429,198)
As at 31 March 2014	127,280,761	8,129,213	25,365,119	36,784,650	178,402,295	12,247,418	388,209,456
As at 1 April 2014	127,280,761	8,129,213	25,365,119	36,784,650	178,402,295	12,247,418	388,209,456
Charge for the year	40,393,308	6,403,249	12,411,041	8,336,908	(20,467,158)	(1,644,371)	45,432,977
Disposals/adjustments #*	1,854,561	(658,354)	(1,595,575)	5,182,469	(7,744,866)	(51,384)	(3,013,149)
As at 31 March 2015	169,528,630	13,874,108	36,180,585	50,304,027	150,190,271	10,551,663	430,629,284
Net block							
As at 31 March 2014	255,502,951	33,749,035	81,367,735	19,487,670	290,550,983	10,397,955	691,056,329
As at 31 March 2015	365,140,544	20,725,827	90,651,772	27,362,769	449,467,606	12,093,710	965,442,228

Adjustments here represents re-classification of assets from one head to another head basis re-assessment performed by the management.

* includes reversal of accumulated depreciation of ₹1,290,854 (refer note 33) and prior period depreciation of ₹1,649,492.

Change in method of charging depreciation on fixed assets

The Company has changed its method of charging depreciation on fixed assets from Written Down Value ('WDV') method to Straight Line Method ('SLM') method as management believes that such change in accounting policy results in a fair recognition of depreciation charge vis-a-vis its operations particularly when the Company is on the growth path and opening new stores on regular basis, which presents the financial statements more appropriately.

Accordingly, the Company has accounted for the reversal of depreciation charge of ₹249,197,148 in these financial statements. Had the Company continued with the previous method of charging depreciation, the charge for depreciation for the year ended 31 March 2015 would have been higher by ₹249,197,148.

Impact due to revision of useful life in accordance with the requirement of Schedule II of the Companies Act, 2013

Effective from 1 April 2014, the Company has started providing depreciation based on the revised useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013. Due to this, depreciation charge for the year ended 31 March 2015, is higher by ₹160,998,081. And, in case of assets whose life has been completed as on 31 March 2014, the carrying value (net of residual value) of those assets has been charged along with depreciation charge for the year ended 31 March 2015.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

11. Tangible Assets (contd.)

Details of assets acquired on finance lease included above

(Amounts in ₹)

	Plant and equipment	Office equipment	Leasehold improvements	Computers	Furnitures and fixtures	Total
Gross block						
As at 1 April 2013	13,108,934	113,275	1,181,707	2,166,082	21,964,100	38,534,098
Additions	1,644,459	-	456,848	180,797	4,369,790	6,651,894
Less : Finance leased assets owned	(14,753,393)	(113,275)	(1,638,555)	(2,346,879)	(26,333,890)	(45,185,992)
As at 31 March 2014	-	-	-	-	-	-
As at 1 April 2014	-	-	-	-	-	-
Additions	-	-	-	-	19,423,154	19,423,154
Disposals	-	-	-	-	-	-
As at 31 March 2015	-	-	-	-	19,423,154	19,423,154
Accumulated depreciation						
As at 1 April 2013	12,788,688	109,179	1,181,707	2,104,658	21,678,462	37,862,694
Charge for the year	438,288	4,096	98,379	242,220	756,141	1,539,124
Less : Finance leased assets owned	(13,226,976)	(113,275)	(1,280,086)	(2,346,878)	(22,434,603)	(39,401,818)
As at 31 March 2014	-	-	-	-	-	-
As at 1 April 2014	-	-	-	-	-	-
Charge for the year	-	-	-	-	1,079,064	1,079,064
As at 31 March 2015	-	-	-	-	1,079,064	1,079,064
Net block						
As at 31 March 2014	-	-	-	-	-	-
As at 31 March 2015	-	-	-	-	18,344,090	18,344,090

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

12. Intangible Assets

(Amounts in ₹)

	Computer Software
Gross Block	
As at 1 April 2013	9,775,387
Additions	7,070,195
As at 31 March 2014	16,845,582
As at 1 April 2014	16,845,582
Additions	6,826,246
Adjustments #	1,400,272
As at 31 March 2015	25,072,100
Amortization	
As at 1 April 2013	5,416,731
Charge for the year	2,862,455
As at 31 March 2014	8,279,186
As at 1 April 2014	8,279,186
Charge for the year	220,750
Adjustments #	1,361,350
As at 31 March 2015	9,861,286
Net block	
As at 31 March 2014	8,566,396
As at 31 March 2015	15,210,814

Adjustments here represents re-classification of assets from one head to another head basis re-assessment performed by the management.

13. Non-Current Investments

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
Long term trade investments, quoted (at cost)		
Investment in mutual funds of:		
DWS Fixed Maturity Plan Series 56 - Direct Plan - Growth NIL units (Previous year: 12,500,000 units of ₹10 each)	-	125,000,000
SBI Debt Fund Series - A 11 385 - Days - Direct - Growth NIL units (Previous year: 2,500,000 units of ₹10 each)	-	25,000,000
SBI Debt Fund Series - A 39 1100 - Days - Direct - Growth 530,000 (previous year: Nil) units of ₹10 each	5,300,000	-
DWS Fixed Maturity Plan - Series 70 (2 years) - Growth 5,000,000 (previous year: Nil) units of ₹10 each	50,000,000	-
	55,300,000	150,000,000
Aggregate market value of quoted investments	59,782,978	150,962,750
Aggregate book value of quoted investments	55,300,000	150,000,000

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

14. Deferred Tax Assets (Net)

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
Deferred tax assets arising on account of:		
Rent straight-lining	17,685,624	7,207,496
Employee benefits	9,140,757	8,494,154
Depreciation and amortization of fixed assets	-	5,962,758
	26,826,381	21,664,408
Deferred tax liabilities arising on account of		
Depreciation and amortization of fixed assets	20,115,591	-
Finance lease obligation	282,659	-
	20,398,250	-
	6,428,131	21,664,408

15. Long Term Loans and Advances

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
(Unsecured, considered good unless otherwise stated)		
Capital advances	5,322,313	1,759,272
Security deposits	77,850,466	57,794,325
Value added tax recoverable	69,668,697	63,498,716
Income tax	-	638,059
Service tax deposit	3,768,918	3,768,918
Other loans and advances	723,418	427,817
	157,333,812	127,887,107

16. Other Non-Current Assets

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
(Unsecured, considered good unless otherwise stated)		
Margin money deposits	549,775	571,076
Fixed deposit with banks	-	100,000
Interest accrued on fixed/margin money deposits	103,631	45,737
	653,406	716,813
The deposits are pledged against :		
Bank guarantees issued to sales tax and service tax authorities and for cash credit facilities with banks.		

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

17. Current Investments

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
Investment in mutual funds (quoted) of:		
Birla Sun Life Dynamic Bond Fund - Retail - Growth -Direct Plan NIL units (previous year: 806,395 units of ₹19.8075 each.)	-	15,972,676
Axis Fixed Term Plan Series 34 (392 Days) - Direct Growth - FQDG NIL units (previous year: 10,000,000 units of ₹10 each)	-	100,000,000
Birla Sun Life Mutual Fund - Fixed Term Plan SR ED NIL units (previous year: 4,500,000 units of ₹11.4017 each)	-	51,307,650
IDFC Fixed Term Plan Series 11 Regular Plan - Growth NIL unites (previous year: 2,000,000 units of ₹10 each)	-	20,000,000
Religare Invesco Arbitrage Fund - Direct Bonus Plan NIL units (previous year: 697,865 units of ₹16.1206 each)	-	5,112,651
DWS Fixed Maturity Plan Series 56 - Direct Plan - Growth 12,500,000 (previous year: Nil) units of ₹10 each	125,000,000	-
SBI Debt Fund Series - A 11 385 - Days - Direct - Growth 2,500,000 (previous year: Nil) units of ₹10 each	25,000,000	-
SBI Debt Fund Series - A 22 366 - Days - Direct - Growth 1,020,000 (previous year: Nil) units of ₹10 each	10,200,000	-
	162,700,000	192,392,977
Aggregate market value of quoted investments	179,540,607	210,980,385
Aggregate book value of quoted investments	162,700,000	192,392,977

18. Inventories

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
(valued at lower of cost or net realizable value)		
Raw materials	218,206	5,688,749
Packing and accessories	17,695,966	15,281,399
Traded goods [including stock-in-transit : ₹69,546,993]*	1,814,113,304	1,656,004,237
	1,832,027,476	1,676,974,385

* Owing to the nature of Company's business and the voluminous nature of goods included in inventory, the Company carries out physical verification to cover all its retail stores and storage units over a period of one year. Shortfall identified during such physical verification is adjusted for each store/unit at the relevant time during the year after conclusion of such exercise.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

19. Cash and Bank Balances

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
Cash and cash equivalents		
Balances with banks in:		
- Current accounts	4,308,348	1,688,399
Cash in hand	22,028,470	14,701,082
	26,336,818	16,389,481
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	1,659,871	236,862
Margin money deposits	5,559,111	6,603,016
	7,218,982	6,839,878
	33,555,800	23,229,359
The deposits are pledged against :		
Bank guarantees issued to sales tax and service tax authorities and for cash credit facilities.		

20. Short Term Loans and Advances

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	48,520,269	24,428,465
Security deposits	-	5,000,000
Prepaid expenses	4,543,223	3,865,016
	53,063,492	33,293,481

21. Other Current Assets

(Amounts in ₹)

	As at 31 March 2015	As at 31 March 2014
Interest accrued on fixed/ margin money deposits	684,178	192,411
	684,178	192,411

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

22. Revenue from Operations

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Sale of products	7,189,773,252	5,741,065,728
Other operating revenue	15,248,991	8,528,307
	7,205,022,243	5,749,594,035
Details of products sold		
Apparels, homemart and accessories	6,107,212,396	4,718,087,371
Others	1,082,560,856	1,022,978,357
	7,189,773,252	5,741,065,728

23. Other Income

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Interest income on		
Bank deposits	816,803	723,587
Others	128,075	-
Dividend income	-	1,703,498
Profit on sale of investments	18,015,910	4,708,544
	18,960,788	7,135,629

24. Cost of Raw Material Consumed

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Inventory at the beginning of the year	5,688,749	12,451,614
Add : Purchases during the year	1,465,939	4,026,412
	7,154,688	16,478,026
Less : Inventory at the end of the year	218,206	5,688,749
	6,936,482	10,789,277
Details of raw material consumed		
Fabrics	6,105,127	10,112,824
Stitching Accessories	831,355	676,453
	6,936,482	10,789,277
Details of inventory		
Fabrics	218,206	5,036,999
Stitching accessories	-	651,750
	218,206	5,688,749

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

25. Production Expenses

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Production expenses	2,514,229	6,612,855
	2,514,229	6,612,855

26. Purchase of Traded Goods and Other Direct Expenses

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Purchase of traded goods		
Apparels, Homemart and accessories	4,122,972,153	3,522,020,454
Others	904,779,190	919,411,645
Stock written off	132,978,653	92,883,642
	5,160,729,996	4,534,315,741
Other direct expenses		
Carriage inwards	38,054,955	35,511,467
Consumables	41,650,038	28,452,976
Octroi and entry tax	1,174,201	1,240,782
Warehouse management charges	2,004,627	-
	82,883,821	65,205,225
	5,243,613,817	4,599,520,966

27. Increase in Inventories

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Inventories at the end of the year		
Traded goods (including stock in transit)	1,814,113,304	1,656,004,237
Packing material and accessories	17,695,966	15,281,399
	1,831,809,270	1,671,285,636
Inventories at the beginning of the year		
Traded goods (including stock in transit)	1,656,004,237	1,083,875,736
Packing material and accessories	15,281,399	11,178,378
	1,671,285,636	1,095,054,114
Loss of inventory on account of flood considered as extra-ordinary item (refer note - 33)	(13,160,916)	-
	(173,684,550)	(576,231,522)
Details of inventory (traded goods)		
Apparels	1,507,649,899	1,398,207,150
Non-apparels	231,567,843	183,519,954
Kirana	74,895,562	74,277,133
	1,814,113,304	1,656,004,237

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

28. Employee Benefits Expense

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Salaries, wages and bonus	406,558,880	322,235,480
Employee compensation expense under ESOP	274,162	-
Contribution to provident and other funds	38,624,108	23,217,567
Staff welfare	43,906,690	37,920,730
	489,363,840	383,373,777

29. Other Expenses

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Rent	328,368,853	248,591,169
Power and fuel expenses	199,033,379	164,178,638
Advertisement and sales promotion	147,657,513	136,143,424
Packing materials and expenses	106,963,104	77,251,363
Repairs and maintenance		
- Building	18,158,566	16,523,399
- Others	35,509,488	20,886,087
Commission	13,648,648	12,492,772
Security expenses	50,154,478	36,155,825
Communication	9,027,526	7,439,367
Travelling and conveyance	14,715,167	11,809,356
Credit card and cash collection charges	19,819,155	15,347,313
Rates and taxes	4,499,594	6,186,540
Vehicle running expenses	4,709,126	3,692,333
Fixed assets written off	1,415,896	863,695
Legal and professional expenses	22,799,772	23,531,371
Printing and stationery	2,965,121	3,448,132
Auditors remuneration		
- as auditor	2,389,241	1,917,130
- for reimbursement of expense	104,859	158,799
Directors sitting fee	415,732	224,720
Insurance	2,629,115	1,855,314
Loss from theft	33,200	-
Loss on sale of fixed assets	-	860,220
Loss on revaluation of current investments	-	2,387,349
Balances written off	1,676,004	-
Donations	245,396	-
Miscellaneous expenses	8,811,109	11,107,548
	995,750,042	803,051,864

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

30. Prior Period Items

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Depreciation earlier years (refer note 11)	1,649,492	-
Profit from sale of investments - earlier years	(2,387,349)	-
	(737,857)	-

31. Depreciation and Amortization Expense

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Depreciation of tangible assets (refer note 11)	45,432,977	106,081,240
Amortisation of intangible assets (refer note 12)	220,750	2,862,455
	45,653,727	108,943,695

32. Finance Costs

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Interest expenses on:		
Cash credit facility and term loans	33,718,110	36,817,680
Finance lease	1,576,435	-
Loan from directors	-	238,784
Others	1,644,257	-
Bank charges	6,156,783	5,384,022
	43,095,585	42,440,486

33. Extra-Ordinary Items

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Loss on account of flood at store in Srinagar *		
- of inventory	13,160,916	-
- of fixed assets	5,014,920	-
	18,175,836	-

* In respect of the inventory and fixed assets lying at Sri Nagar store which has been recently hit by heavy floods, the Company has booked an loss of ₹18,175,836 which has been suitably provided for and shown in these financial results as Extra-ordinary item. This amount consists of inventory loss of ₹13,160,916 and fixed assets loss of ₹5,014,920 (this amount comprises of gross block of ₹6,305,774 and accumulated depreciation of ₹1,290,854). The Company has filed an insurance claim in respect of same which shall be recognized as income once the claim gets confirmed from the insurance company.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

34. Earnings Per Share

(Amounts in ₹)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Basic earnings per share		
Profit for the year	373,670,603	251,572,149
Nominal value per share (₹)	10	10
Weighted average number of equity shares for basic earnings per share	17,983,278	17,958,778
	20.78	14.01
Diluted earnings per share		
Profit for the year	373,670,603	251,572,149
Nominal value per share (₹)	10	10
Weighted average number of equity shares for diluted earnings per share	17,983,688	17,958,778
	20.78	14.01

35. Capital and Other Commitments

(Amounts in ₹)

	31 March 2015	31 March 2014
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for.	7,490,597	10,214,424
(ii) Bank guarantees	2,043,061	5,823,061
(iii) For commitments relating to lease arrangements, please refer note 40.		

36. Contingent Liabilities not provided for in respect of:

(Amounts in ₹)

	31 March 2015	31 March 2014
Demand raised by the sales tax authorities (refer note below)	7,820,505	3,045,897
Service tax on rent payable based on Hon'ble Supreme Court order (refer note 37 below)	3,032,733	3,032,733
Demand raised by electricity board	373,029	2,463,417
Demand raised by income tax authorities	2,294,070	1,456,510
Other litigations	497,000	497,000
	14,017,337	10,495,557

Note:- The Company has received an adjustment order under section 54(1)(14) (dated 10 April 2015) of the UP Value Added Tax, 2014 from the Joint Commissioner (Commercial Tax), Muzaffar Nagar wherein the demand of ₹268,500 raised earlier has been reversed subsequent to the year-end.

Further, the Company has certain litigations involving suppliers, motor vehicle accident and certain inspections under Prevention of Food Adulteration Act, 1954. Based on legal advice of in-house legal team, the management believes that no material liability will devolve on the Company in respect of these litigations.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

37. Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from 1 June 2007 by the Finance Act, 2010, the Retailer Association of India (Company being a member of such association) has challenged the said levy and, inter-alia, its retrospective application. The Hon'ble Supreme Court has passed an interim order dated 14 October 2011, directing the members to deposit 50% of the arrears of service tax due upto 30 September 2011 and the balance if any at the time of final disposal of appeal. The amount of service tax on rent in respect of rented stores from 1 June 2007 till 30 September 2011 was ₹10,825,938 of which ₹7,793,204 has been provided for in the Statement of Profit and Loss till 31 March 2012 and the balance ₹3,032,733 has been classified as contingent liability.

As per directions of Hon'ble Supreme Court, the Company after adjusting the amount already paid has made an aggregate deposit of ₹3,768,918 under protest towards the balance amount with the concerned authorities and the same is being presented as "Service tax deposit" under Long term loans and advances.

38. Related Party Disclosures

Information required to be disclosed under Accounting Standard 18 "Related Party Disclosures"

a) Relationship

I. Key Managerial Personnel

Lalit Agarwal	Managing Director
Madan Gopal Agarwal	Whole-time Director
Hemant Agarwal	Whole-time Director (till 22 January 2015)
Deepak Sharma	Chief Financial Officer
Sudhir Kumar	Company Secretary

II. Relatives of Key Managerial Personnel

Sangeeta Agarwal	Wife of Lalit Agarwal
Hemant Agarwal	Brother of Lalit Agarwal and Non – Executive Director (with effect from 23 January 2015)
Smiti Agarwal	Wife of Hemant Agarwal
Uma Devi Agarwal	Wife of Madan Gopal Agarwal and Mother of Lalit and Hemant Agarwal
Snehal Shah	Son-in-law of Madan Gopal Agarwal and Brother-in-law of Lalit and Hemant Agarwal
Sunita Shah	Daughter of Madan Gopal Agarwal and Sister of Lalit and Hemant Agarwal

III. Entities owned by the key managerial personnel

Lalit Agarwal (HUF)	HUF in which Lalit Agarwal is Karta
Madan Gopal Agarwal (HUF)	HUF in which Madan Gopal Agarwal is Karta
Hemant Agarwal (HUF)	HUF in which Hemant Agarwal is Karta
Wesbok Lifestyle Private Limited	Company owned by Hemant Agarwal and Smiti Agarwal

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

b) The following transactions were carried out with related parties in the ordinary course of business:-

(Amounts in ₹)

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by key managerial personnel	
	Year end 31 March 2015	Year ended 31 March 2014	Year end 31 March 2015	Year ended 31 March 2014	Year end 31 March 2015	Year ended 31 March 2014
Managerial remuneration*						
Lalit Agarwal	11,157,769	8,450,906	-	-	-	-
Hemant Agarwal	6,041,343	5,607,598	-	-	-	-
Madan Gopal Agarwal	3,700,064	2,803,799	-	-	-	-
Salaries, wages and bonus						
Sangeeta Agarwal	-	-	-	600,000	-	-
Smiti Agarwal	-	-	-	360,000	-	-
Snehal Shah	-	-	2,820,000	-	-	-
Deepak Sharma	2,880,000	-	-	-	-	-
Sudhir Kumar	549,979	-	-	-	-	-
Bonus shares /ESOP issued						
Snehal Shah	1,500,000	-	-	-	-	-
Deepak Sharma	3,023,250	-	-	-	-	-
Dividend paid						
Lalit Agarwal	3,351,170	2,194,025	-	-	-	-
Hemant Agarwal	869,250	579,500	-	-	-	-
Madan Gopal Agarwal	1,029,563	686,375	-	-	-	-
Lalit Agarwal (HUF)	-	-	-	-	1,915,913	1,277,275
Hemant Agarwal (HUF)	-	-	-	-	635,978	423,985
Madan Gopal Agarwal (HUF)	-	-	-	-	1,562,513	1,041,675
Sangeeta Agarwal	-	-	3,258,263	2,172,175	-	-
Uma Devi Agarwal	-	-	2,033,190	1,355,460	-	-
Smiti Agarwal	-	-	1,047,758	834,005	-	-
Interest on loan						
Lalit Agarwal	-	151,354	-	-	-	-
Hemant Agarwal	-	113,516	-	-	-	-
Madan Gopal Agarwal	-	151,354	-	-	-	-
Loan taken						
Lalit Agarwal	-	4,000,000	-	-	-	-
Hemant Agarwal	-	3,000,000	-	-	-	-
Madan Gopal Agarwal	-	4,000,000	-	-	-	-
Loan repaid						
Lalit Agarwal	-	4,000,000	-	-	-	-
Hemant Agarwal	-	3,000,000	-	-	-	-
Madan Gopal Agarwal	-	4,000,000	-	-	-	-
Purchase of traded goods						
Wesbok Lifestyle Private Limited	-	-	-	-	36,221,475	-

* Does not include gratuity expense as the same is provided in the books on the basis of actuarial valuation for the Company as a whole and hence individual figures cannot be determined.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(Amounts in ₹)

Managerial remuneration comprises of the following:-	Year ended 31 March 2015	Year ended 31 March 2014
Remuneration	10,112,903	9,000,000
Commission	10,786,273	7,862,302
Total	20,899,176	16,862,302

c) Balance at the end of year:-

(Amounts in ₹)

Description	Key managerial personnel		Relatives of key managerial personnel	
	Year end 31 March 2015	Year ended 31 March 2014	Year end 31 March 2015	Year ended 31 March 2014
<u>Remuneration / salary payable</u>				
Lalit Agarwal	3,272,229	3,045,711	-	-
Hemant Agarwal	2,852,179	718,528	-	-
Madan Gopal Agarwal	1,227,012	582,315	-	-
Snehal Shah	-	-	-	-
Sangeeta Agarwal	-	-	-	47,675
Smiti Agarwal	-	-	-	29,734
Deepak Sharma	-	-	-	-
Sudhir Kumar	-	-	-	-

(Amounts in ₹)

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by key managerial personnel	
	Year end 31 March 2015	Year ended 31 March 2014	Year end 31 March 2015	Year ended 31 March 2014	Year end 31 March 2015	Year ended 31 March 2014
<u>Dividend paid / payable</u>						
Lalit Agarwal	3,351,170	2,194,025	-	-	-	-
Hemant Agarwal	869,250	579,500	-	-	-	-
Madan Gopal Agarwal	1,029,563	686,375	-	-	-	-
Lalit Agarwal (HUF)	-	-	-	-	1,915,913	1,277,275
Hemant Agarwal (HUF)	-	-	-	-	635,978	423,985
Madan Gopal Agarwal (HUF)	-	-	-	-	1,562,513	1,041,675
Sangeeta Agarwal	-	-	3,258,263	2,172,175	-	-
Uma Devi Agarwal	-	-	2,033,190	1,355,460	-	-
Smiti Agarwal	-	-	1,047,758	834,005	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

39. Segment Reporting

In the opinion of the management, there is only one reportable segment "Retail Sales" as envisaged by Accounting Standard 17 on "Segment Reporting". The Company is operating only in India and there is no other significant geographical segment.

40. Leases

Information required to be disclosed under Accounting Standard 19 on "Leases"

Operating lease

The retail stores are taken on lease for a lease term ranging from nine years to twelve years including the lock-in period ranging from one to three years. These leases are further renewable on the expiry of total lease term subject to mutual consent of both the parties. There are no restrictions imposed on the Company under the lease arrangement. There are no subleases.

The minimum lease payments for the initial lease term are as under:

(Amounts in ₹)		
Description	31 March 2015	31 March 2014
Payable within 1 year	78,969,794	46,039,948
Payable between 1-5 years	33,633,570	20,161,762
Payable after 5 years	-	-
Lease payment made for the year recognized in the Statement Profit and Loss	328,368,853*	248,591,169*

* includes expense on account of rent straight-lining.

Finance lease

The Company has taken certain assets on finance lease basis. The legal title to such assets vests with the lessors. The total minimum lease payments, elements of unearned interest included in such payments and present value of lease payments are as follows:

(Amounts in ₹)		
Description	31 March 2015	31 March 2014
Total minimum lease payments	25,330,308	-
Less: Future interest included above	7,802,963	-
Present value of minimum lease payments	17,527,345	-

For assets taken on finance lease, refer note 11.

The maturity profile of the finance lease obligation is as follows:

(Amounts in ₹)				
Description	31 March 2015		31 March 2014	
	Minimum lease payments	Present Value	Minimum lease payments	Present Value
Payable within 1 year	5,628,957	2,818,449	-	-
Payable between 1-5 years	19,701,351	14,708,896	-	-
Payable after 5 years	-	-	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

41. Employee Benefits

Gratuity

Amount recognised as expense in the Statement of Profit and Loss for the year ended 31 March 2015 is determined as under:

(Amounts in ₹)		
Description	31 March 2015	31 March 2014
Current service cost	5,562,647	4,728,657
Interest cost	1,028,188	1,014,787
Actuarial loss/(gain) recognized during the year	(3,863,222)	(4,410,605)
Past service cost	-	-
Amount recognised in the Statement of Profit and Loss	2,727,613	1,332,839

Movement in the liability recognised in the Balance Sheet is as under:

(Amounts in ₹)		
Description	31 March 2015	31 March 2014
Present value of defined benefit obligation as at the beginning of the year	12,852,356	11,597,564
Current service cost	5,562,647	4,728,658
Interest cost	1,028,188	1,014,787
Benefits Paid	(261,103)	(78,048)
Actuarial gain recognized during the year	(3,863,222)	(4,410,605)
Past service cost	-	-
Present value of defined benefit obligation as at the end of the year	15,318,866	12,852,356
Current	1,229,995	1,130,581
Non-Current	14,088,871	11,721,775

For determination of the gratuity liability of the Company, the following actuarial assumptions were used:

Description	31 March 2015	31 March 2014
Discount rate	8.00%	9.00%
Rate of increase in compensation levels	5.25%	6.25%
Mortality table	IALM (2006 - 08)	LIC (1994-96)
Withdrawal rate		
- Up to 30 years	3%	3%
- From 31 to 44 years	2%	2%
- Above 44 years	1%	1%

For determination of the compensated absences liability of the Company, the following actuarial assumptions were used:

Description	31 March 2015
Discount rate	8.00%
Rate of increase in compensation levels	5.25%
Mortality table	IALM (2006 - 08)
Withdrawal rate	
- Up to 30 years	3%
- From 31 to 44 years	2%
- Above 44 years	1%

Provident fund, Employee State Insurance fund and Labour Welfare fund

Contribution made by the Company during the year is ₹38,624,108 (previous year ₹23,217,567).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

Amounts for the current and previous four years are as follows:

(Amounts in ₹)					
Description	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Gratuity	15,318,866	12,852,356	11,597,565	7,839,437	5,014,500

42. Value of Imports Calculated on CIF Basis

(Amounts in ₹)		
Description	31 March 2015	31 March 2014
Purchase of capital goods	601,278	914,967
Total	601,278	914,967

43. Employee Stock Option Plan

The Company has implemented an Employee Stock Option Scheme, which was approved by the Board of Directors and the shareholders vide resolution dated 2 July 2012 and 10 July 2012 respectively ('the V-Mart ESOP Scheme 2012' or the Scheme), consequent to which 300,000 equity shares with a nominal value of ₹10 each will be granted upon exercise of as stock options (ESOPs) to eligible employees. The exercise price of these options will be determined by the Remuneration Committee and the options will vest over a period of 12 months to 36 months of continued employment from the grant date.

On 20 July 2012, the Company has granted 153,252 ESOPs ('Grant I') as per Scheme at an exercise price of ₹150.00 per option with graded vesting (i.e. 45,975 options vesting after 12 months from the date of grant, 45,975 options vesting after 24 months from the date of grant and 61,302 options vesting after 36 months from the date of grant). The vesting of options is subject to the continued employment of the grantee over the vesting period. The options granted can be exercised after vesting at any time before the expiry of eight years from the grant date.

On 5 January 2015, the Company has further granted 22,350 ESOPs ('Grant II') as per Scheme at an exercise price of ₹450.00 per option with graded vesting (i.e. 6,705 options vesting after 12 months from the date of grant, 6,705 options vesting after 24 months from the date of grant and 8,940 options vesting after 36 months from the date of grant). The options granted can be exercised after vesting at any time before the expiry of eight years from the grant date. The fair value of equity shares on the date of grant was ₹539.30 (i.e. closing price at stock exchange, prior to the date of the meeting of the Board of Directors in which options are granted).

₹274,162 has been provided as employee benefit expenses, as the proportionate cost of 22,350 numbers of options granted, using the intrinsic value of the stock options measured by a difference between the fair value of the underline equity shares at the grant date and the exercise price.

On 29 September 2014 and 5 January 2015, the Company has allotted 41,308 at a weighted average share price of ₹150 per share and 15,603 equity shares at a weighted average share price of ₹450 per share respectively, of face value of ₹10 each to the eligible employees of the Company on account of exercise of vested stock options.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(a) The relevant details in respect of V-Mart ESOP Scheme 2012 are summarized below:

(Amounts in ₹)

Particulars	31 March 2015		31 March 2014	
	No. of Options	Weighted Average Price	No. of Options	Weighted Average Price
a. Outstanding at the beginning of year	125,308	150.00	153,252	150.00
b. Granted during the year	22,350	450.00	-	-
c. Exercised during the year	56,911	150.00	-	-
d. Forfeited during the year	-	-	28,214	150.00
e. Expired during the year	-	-	-	-
f. Outstanding at the end of the year	90,477	224.11	125,038	150.00
g. Exercisable at the end of the year	18,112	150.00	37,511	150.00
h. Number of equity shares of ₹10 each fully paid up to be issued on exercise of option	90,477	224.11	125,038	150.00
i. Weighted average remaining contractual life	-	5.92	-	6.31

(b) **Pro forma Accounting for Stock Option Grants:**

The Company applies the intrinsic value-based method of accounting for determining compensation cost for its stock-based compensation plan. Had the compensation cost been determined using the fair value approach, the Company's net income and basic and diluted earnings per share as reported would have reduced to the pro forma amounts as indicated below:

(Amounts in ₹)

Particulars	31 March 2015	31 March 2014
Net profit as reported (a)	373,670,602	251,572,149
Add: Stock based employee compensation expense debited to Statement of Profit and Loss (i)	274,162	-
Less: Stock based employee compensation expense based on fair value (ii)	(1,943,989)	(1,793,061)
Difference between (i) and (ii)	(1,669,827)	(1,793,061)
Adjusted pro forma Profit (b)	372,000,775	249,779,088
Basic earnings per share as reported	20.78	14.01
Pro forma basic earnings per share	20.69	13.91
Diluted earnings per share as reported	20.78	14.01
Pro forma diluted earnings per share	20.69	13.91

(c) The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	Grant I	Grant II
Risk free interest rates (in %)	8.42	8.32
Expected life (in years)	4 years	4 years
Volatility (in %)	25%	41%
Dividend yield (in %)	0.27%	0.20%
Weighted average equity value per share (₹)	150.00	539.30
Weighted average exercise price (₹)	150.00	450.00

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

44. Initial Public Offer (IPO) of the Equity Shares of the Company

During the year ended 31 March 2013, the Company allotted 1,250,000 equity shares to the Pre- IPO investors at an issue price of ₹210 per equity share (including a premium of ₹200 per equity share) aggregating to ₹262,500,000 and also completed its IPO of 4,496,000 equity shares of ₹10 each for cash at a price of ₹210 per equity share (including a premium of ₹200 per equity share) aggregating to ₹944,160,000. The issue comprised of a fresh issue of 2,761,000 equity shares by the Company and an offer for sale of 1,735,000 equity shares by Naman Finance and Investment Private Limited. The Company's equity shares have been listed on both BSE Limited and the National Stock Exchange of India Limited on 20 February 2013.

Means of finance for the objects of the IPO are as under:-

(Amounts in ₹)	
Particulars	Amount
Proceeds from the fresh issue	579,810,000
Proceeds from Pre-IPO placement	262,500,000
Internal accruals	71,760,000
	914,070,000

The utilization of the aforementioned means of finance as on 31 March 2015 is as under:

(Amounts in ₹)				
Particulars	Utilization planned as per prospectus	Utilization of IPO proceeds as on 31 March 2015	Adjustments (utilization of surplus towards other objects)	Balance amount to be utilized as on 31 March 2015
Opening of new stores	697,040,000	(658,580,936)	660,153	39,119,217
	<i>697,040,000</i>	<i>(405,241,518)</i>	<i>660,153</i>	<i>292,458,635</i>
Expansion of distribution center	43,870,000	(28,725,519)	-	15,144,481
	<i>43,870,000</i>	<i>(13,018,891)</i>	-	<i>30,851,109</i>
Working capital	100,000,000	(100,000,000)	-	-
	<i>100,000,000</i>	<i>(100,000,000)</i>	-	-
Share issue expenses	73,160,000	(72,499,847)	(660,153)*	-
	<i>73,160,000</i>	<i>(72,499,847)</i>	<i>(660,153)*</i>	-
	914,070,000	(859,806,302)	-	54,263,698
<i>Previous year figures</i>	<i>914,070,000</i>	<i>(590,760,256)</i>	-	<i>323,309,744</i>

* Surplus available after actual expenses incurred will be utilized towards other objects of the issue.

Figures in italics represent amounts relating to previous year.

Interim utilization of balance IPO proceeds up to 31 March 2015 is as under:

(Amounts in ₹)	
Particulars	Amount
Balance unutilized amount	54,263,698
Temporary utilized as below:	
Mutual funds	54,263,698
Previous year figures	323,309,744

Figures in italics represent amounts relating to previous year.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

45. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosure in respect to Micro and Small Enterprises as per MSMED Act, 2006 is as follows:

	(Amounts in ₹)	
	31 March 2015	31 March 2014
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Further, the Company generally makes payment to all its suppliers within the agreed credit period (less than 45 days) and thus, the management is confident that no liability of interest under this Act, is expected to arise.

46. Expenditure in Foreign Currency

	(Amounts in ₹)	
Description	31 March 2015	31 March 2014
Foreign travelling	694,044	243,410

47. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(Amounts in ₹)					
Description	Currency	31 March 2015		31 March 2014	
		Foreign currency	Amount	Foreign currency	Amount
Trade payables	USD	1,237	77,425	12,182	732,136
Advances to suppliers	USD	19,370	1,212,384	9,137	549,132

Conversion rate applied for is 1 USD – ₹62.59 (previous year – ₹60.10)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

48. In the opinion of the board of directors, assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amounts at which they are stated and provision for all known liabilities have been made.
49. In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Company was to spend a sum of ₹5,372,487 towards CSR activities during the year ended 31 March 2015. The CSR Committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiative. During the year ended 31 March 2015, the Committee has approved and paid a contribution of ₹2,100,000 towards Maharaja Agrasen Hospital Charitable Trust, New Delhi, being expenditure towards CSR activities.
50. Previous year comparatives have been reclassified, wherever considered necessary, to conform to this year's classification.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

per **Sumit Mahajan**
Partner

Place: Gurgaon
Date : 4 May 2015

For and on behalf of the board of directors of
V-Mart Retail Limited

Madan Gopal Agarwal
Director
DIN No. 02249947

Deepak Sharma
Chief Financial Officer

Lalit Agarwal
Managing Director
DIN No. 00900900

Sudhir Kumar
Company Secretary
Membership No. A25125



V-MART RETAIL LIMITED

(CIN - L51909DL2002PLC163727)

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

Corp. Office: Plot No. 862, Udyog Vihar, Industrial Area, Phase – V, Gurgaon – 122016 (Haryana)

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

ATTENDANCE SLIP

Please fill in this attendance slip and hand it over at the entrance of the meeting hall. Joint holders may obtain additional attendance slips.

Sr. No. : SLNO

HOLDER

HOLDER_ADD

HOLDER_AD1

HOLDER_AD2

HOLDER_AD3

PIN : HOLDER_PIN-----

I hereby record my presence at the THIRTEENTH ANNUAL GENERAL MEETING of the Company held on Tuesday, the 29th day of September, 2015 at 9:30 a.m. at Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sector -12, R.K. Puram, New Delhi – 110022.

Members Folio/DPID–Client ID No.

Member's/Proxy's name in Block Letters

Signature of the Member / Proxy

No. of Shares held :

Regd. folio/*Client ID : DPID / HOLDER_FOL

*Applicable for members holding shares in electronic form.

Note: To be signed and handed over at the entrance of the Meeting Venue



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MGT - 11 PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : V-MART RETAIL LIMITED

Registered Office : 610-611, Guru Ram Dass Nagar, Main Market, opp. SBI Bank, Laxmi Nagar, New Delhi-110092

Name of the Member(s) :

Registered Address :

E-mail Id :

Folio No./Client ID :

DP ID :

I/We, _____ being a Member(s) of V-Mart Retail Ltd., hereby appoint :

- Name : _____ Address : _____
Email Id : _____ Signature : _____ or failing him
- Name : _____ Address : _____
Email Id : _____ Signature : _____ or failing him
- Name : _____ Address : _____
Email Id : _____ Signature : _____

as my / our proxy to attend and vote (on poll) for me/us and on my/our behalf at the THIREENTH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 29th day of September, 2015 at 9:30 a.m. at Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sector -12, R.K. Puram, New Delhi – 110022 and any adjournment thereof in respect of such resolution as are indicated below :

Resolution No.	Resolution	Vote	
		For	Against
Ordinary Business			
1	Audited Balance Sheet of the Company as on 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date together with the Reports of Board of Directors and Auditors thereon		
2	Declare dividend of ₹1.5/- per equity share for the financial year 2014-15		
3	Appointment of a Director in place of Mr. Madan Gopal Agarwal, who retires by rotation and being eligible, offers himself for re-appointment		
4	Ratification of Appointment of Statutory Auditors and to fix their remuneration		
Special Business			
5	Appointment of Ms. Sonal Mattoo as an Independent Director		
6	Appointment of Mr. Murli Ramachandran as an Independent Director		
7	Appointment of Mr. Hemant Agarwal as a Director		
8	Payment of Commission to Non-Executive Directors		
9	Amendment in ESOP Scheme, 2012		
10	Revision/variation in remuneration of Mr. Lalit Agarwal, Managing Director		
11	Revision/variation in remuneration of Mr. Madan Gopal Agarwal, Whole-time Director		

Signed on _____ day of _____, 2015.

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix One
Rupee
Stamp

NOTE :

In order to be effective the Proxy should be duly filed, signed and stamped and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. The Proxy need not be a Member of the Company.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password/PIN

INSTRUCTIONS FOR E-VOTING

1. To use the following URL for e-voting: <https://evoting.karvy.com>
2. Enter the login credentials i.e., user id and password mentioned in the e-voting sheet attached along with this communication. Your Folio No/ DP ID Client ID will be your user ID.
3. After entering the details appropriately, click on LOGIN.
4. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the EVENT i.e., V-Mart.
7. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / "AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may also choose the option "ABSTAIN" in case you wish to abstain from voting.
8. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
9. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
10. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail scrutinizer.vmart@gmail.com.
11. The Portal will remain open for voting from 9.00 a.m. on 26th September, 2015 to 5 p.m. on 28th September 2015 (both days inclusive).
12. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or send email to evoting@karvy.com or contact Mr. R. Chandrashekhar of Karvy Computershare Pvt. Ltd. at 040-67161602 or at 1800 3454001 (toll free).
13. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
14. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
15. The voting rights of shareholders shall be in proportion to their shares of the paid equity share capital of the company as on cut-off date (record date) of 22nd September, 2015.
16. The scrutinizer shall within the period not exceeding three (3) working days from the conclusion of E-voting period unblock the votes in the presence of at least two witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman to the Company.
17. The members who have acquired shares after the dispatch of notice of the Annual General Meeting and holding shares as on cut off date i.e. 22nd September, 2015, may obtain the e-voting user id and password by sending a request at evoting@karvy.com.
18. The Result of E-Voting shall be declared on or after the AGM of the Company. The Result declared along with the Scrutinizer's Report shall be placed on the Company's website (www.vmart.co.in) and on the website of Karvy within two (2) days of passing of resolution at the AGM of the Company and communicated to the Stock Exchange.
19. Kindly note that once you have cast your vote you cannot modify or vote on poll at AGM. However, you can attend the meeting and participate in discussions, if any.



V-Mart management team

