



**It's all  
about  
creating  
value**

# ‘The world’s best-performing department store, 2017-18’

as per data compiled by Bloomberg.



<https://www.bloomberg.com/news/articles/2018-04-13/world-s-best-performing-department-store-this-year-is-in-india>

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Financial statements

# It's all about creating value

2017-18 was a challenging year for the Indian retail sector.

**The lingering impact of demonetisation and GST implementation affected cash flows – and consumer sentiment at a national level.**

These realities notwithstanding, the Company reported stellar profitable growth – revenues increased by 22% while profit after tax strengthened by 77%.

**This transpired because of a long-standing focus: a clarity on value-creation.**

Across every initiative. Every location. Every store. Every customer. Every vendor. Every employee. Every stakeholder. *Every transaction.*

# About us

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## Values

We believe what we do is derived from what we are.

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## Vision

Create value and make our ecosystem proud.

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## Mission

Care for customer aspirations, discover and nurture talent, and create sustained ethical growth for stakeholders and harness vendor relationships.

## Background

V-Mart was one of the first consumer retail enterprises to cater to the growing needs of India's middle-class youth - in the heartlands of India. Over the past decade, the Company has gradually transformed itself into a one-stop shop for 'affordable fashion' in geographic pockets largely overlooked by India's retail revolution.

## Businesses

V-Mart addresses the growing needs of the large consuming and aspiring middle-class of India.

- Fashion (apparel, non-apparel and home mart):

*94 per cent of revenues, 2017-18*

- Kirana bazaar (FMCG and packaged staple food): *6 per cent of revenues, 2017-18*

These business segments underline the basic needs of India's millions - to look good and eat well.

## Locations

V-Mart is addressing the growth in consumer aspirations beyond metro and Tier-1 cities. The company widened its presence across India's Tier-II, III and IV centres. At the end of FY2017-18, V-Mart had 22 stores in metros and Tier-I cities, 44 stores in Tier-II cities and



105 stores in Tier-III and IV cities across 14 states and Union Territories. The proportion of revenues derived by the company from non-metro locations was a sizable 86 per cent in 2017-18.

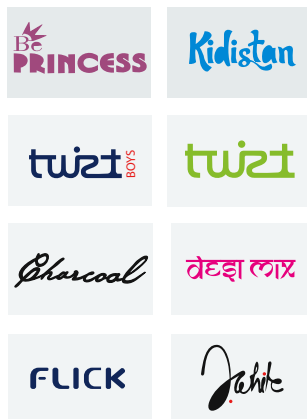
### Listing and market capitalisation

The Company's shares are actively traded on the NSE and the BSE. V-Mart enjoyed a market capitalisation of ₹34,654 million as on March 31, 2018.

### Shareholding pattern

As of March 31, 2018, 54 per cent of the company's shares were held by the promoter group. Foreign Portfolio Investors (FPIs) held 31 per cent and mutual funds held 3 per cent of the shares. The rest were held by individual investors.

### Few major private labels



OVER THE PAST DECADE, THE COMPANY HAS EVOLVED AS A ONE-STOP SHOP FOR 'AFFORDABLE FASHION' IN GEOGRAPHIC POCKETS LARGELY OVERLOOKED BY INDIA'S RETAIL REVOLUTION.

Stores in metros & Tier-I  
**22**

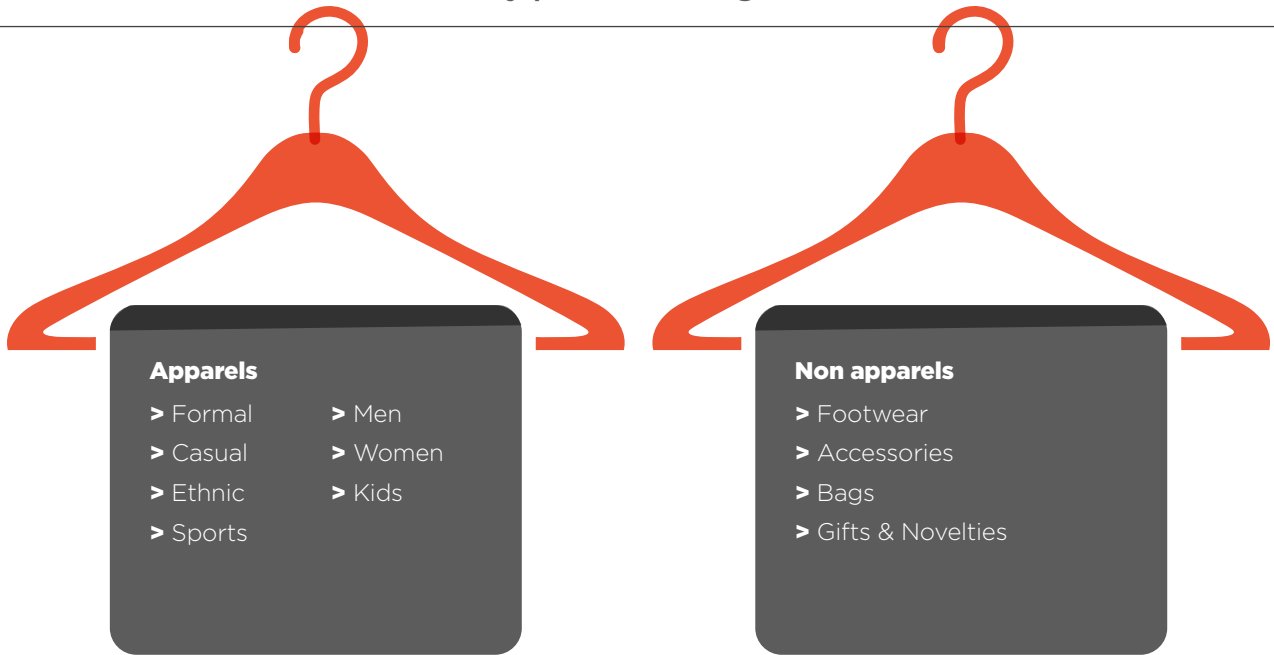
Stores in Tier-II cities  
**44**

Stores in Tier-III & IV  
**105**

Fashion revenues  
**94%**



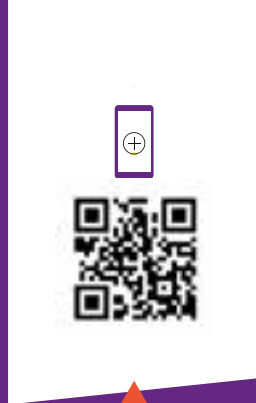
## Key product categories



## Growing presence

### Cities

	No. of stores	
	FY 17-18	FY 16-17
Metro and Tier-I	22	19
Tier II	44	40
Tier III	87	79
Tier IV	18	3



# 2017-18 Big Numbers

revenues **increased**

**22%** to **12,224** ₹ million

EBIDTA\* **strengthened**

**54%** to **1,369** ₹ million

\* EBIDTA includes other income

EBIDTA margin **increased**

**8.5%** to **10.8%**

Return on capital employed **increased**

**29%** to **35%**

Return on equity **increased**

**16%** to **22%**

Interest coverage ratio **increased**

**20** to **75** times







## Creating Value

Total stores ↑ 21%	2016-17 141	2017-18 171
Total retail space (million feet) ↑ 20%	2016-17 1.2	2017-18 1.4
Footfalls in million ↑ 23%	2016-17 25	2017-18 30
Average revenue per square feet (₹) ↑ 3%	2016-17 799	2017-18 823
Average transaction size (₹) ↑ 5%	2016-17 713	2017-18 750
Private label revenues as % of overall revenues ↑ 145%	2016-17 20	2017-18 49
Average revenue per employee (₹ million) ↑ 4%	2016-17 2.18	2017-18 2.26
Days of inventory (sales)	2016-17 86	2017-18 86

## Milestones

### 2002

- Incorporated as Varin Commercial Private Limited



### 2004

- Launched store in New Delhi



### 2006

- Renamed as V-Mart Retail Private Limited
- Crossed aggregate retail space of 1,00,000 square feet

### 2008

- Converted from a private limited to public limited company
- Secured private equity funding from Naman Finance (Aditya Birla Group) and DB Corp Limited



### 2011

- Crossed ₹2,000 million in turnover
- Declared a dividend of 4 per cent

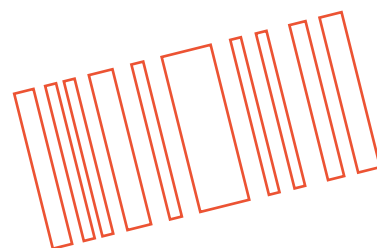


### 2016

- Ventured into West Bengal and Odisha
- Opened 17 new stores
- Integrated vendor portal and advanced warehouse management system

### 2017

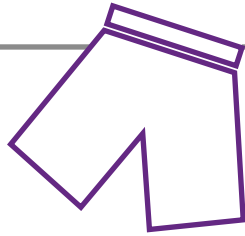
- Crossed ₹1,000 crore in revenues
- Received short-term rating of A1+ from ICRA





## 2003

- Launched maiden store in Gujarat

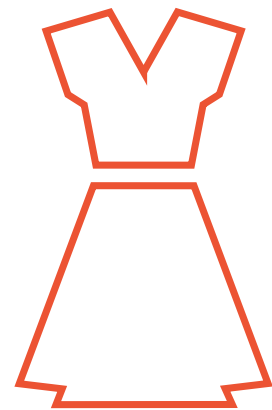


## 2014

- Opened 23 new stores across 2 lac square feet
- Invested in infrastructure overhaul
- Achieved incremental footfall of 32 per cent

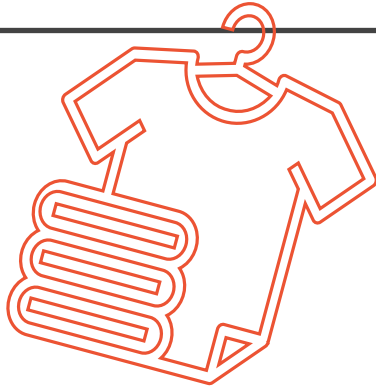
## 2015

- Consolidated distribution centres
- Launched online vendor portal
- Reached 108 stores across 9 lac square feet
- Relocated corporate office to Gurgaon
- Reconstituted the Board of Directors



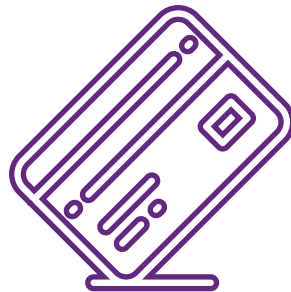
## 2012

- Crossed 5 lac square feet in retail space
- Extended its presence to 50 cities
- Launched ESOP for employees
- Declared a dividend of 4 per cent for the first time



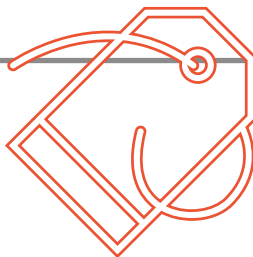
## 2013

- IPO - market capitalisation ₹400 crore
- Issue oversubscribed 1.2x
- Attracted marquee institutional and HNI



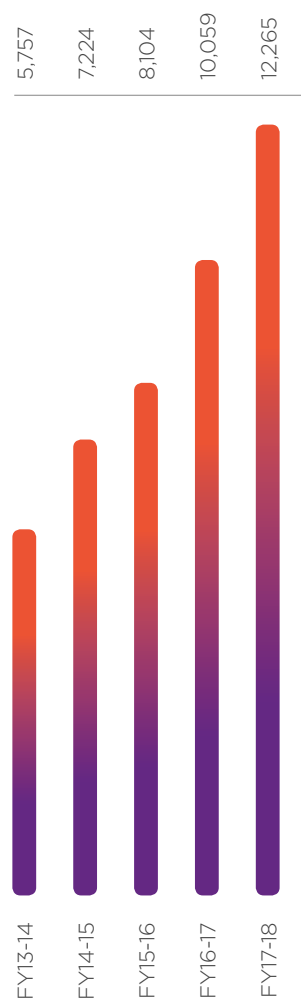
## 2018

- Ventured into Tier IV towns
- Private label business grows to 50 per cent



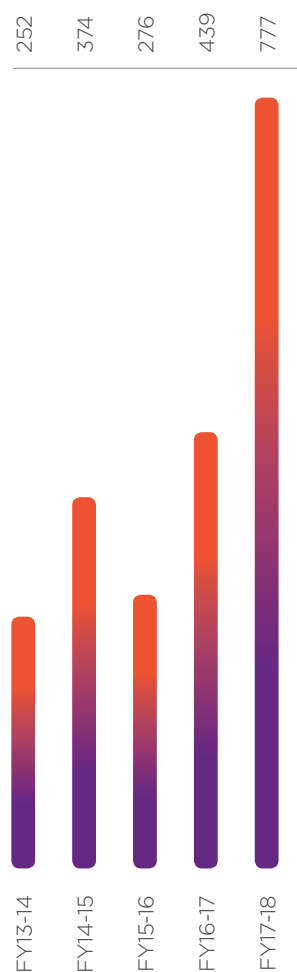
## Our report card for FY2017-18

**Total revenues**  
(₹ million)



Aggregate total revenues increased by 22% to reach ₹12,265 million in FY2017-18 backed by 9% same stores sales growth and 31 new store openings.

**Net profit**  
(₹ million)



The Company reported a 77% increase in its net profit in FY2017-18 – reflecting the robustness and resilience of the business model in growing shareholder wealth despite competitive advantages.

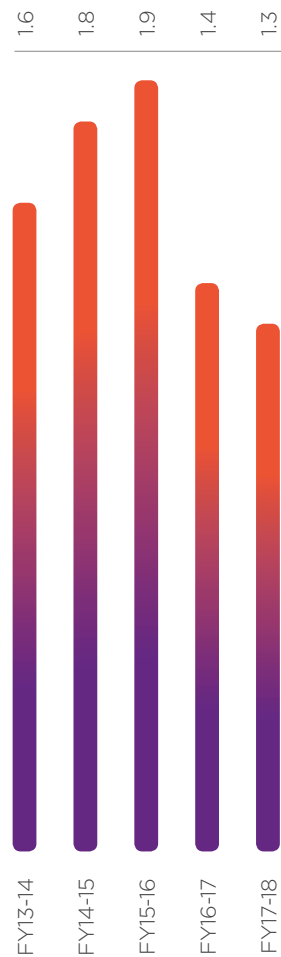
**Inventory**  
(days of sales)



The Company maintained its days of inventory at 86 in 2017-18, with opening of 31 new stores, leveraging investments in supply chain and technology.

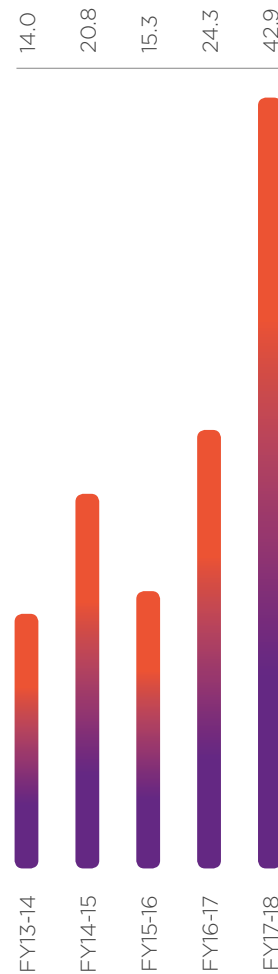


### Shrinkage (%)



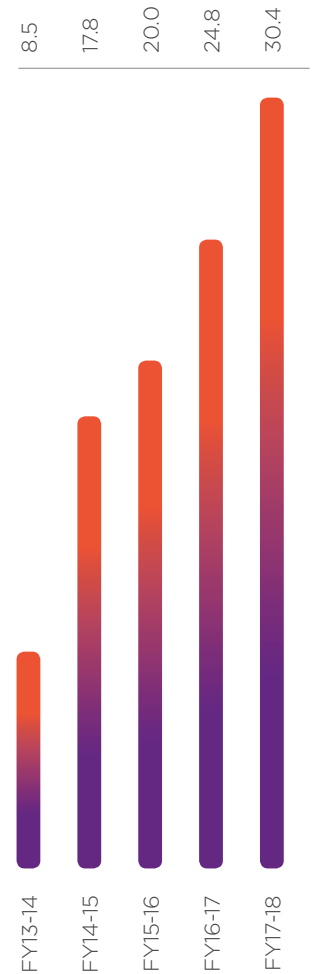
The Company has managed to reduce shrinkage rates over the past few years to almost the lowest in the industry. This has been possible due to significant focus on improving processes and controls around store operations and inventory movements.

### Basic EPS (₹)



V-Mart's EPS increased by 77% in 2017-18 over 2016-17.

### Footfalls (millions)



V-Mart's footfalls have been steadily rising over the last few years. Besides opening of new stores, this rise can also be ascribed to the mounting demand for aspirational products.



## Chairman's overview

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# I am not carrying a bias when I say that I find the retail sector one of the most exciting opportunities in India.

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**J**ust consider: India is the second largest market in the world by population, the fastest growing major economy, one of the most under-consumed population clusters and organised retail accounting for only about 7 per cent of the Indian retail sector.

At a time when the Indian government is formalising the economy through the implementation of the Goods & Services Tax, we believe that the Indian retail sector is at an inflection point. We stand to benefit as a result: apparel with a sticker price of less than ₹1,000 is attracting the lowest tax slab of 5 per cent and around 85 per cent of our revenues are from products priced at ₹1,000 or lower.

We also believe that tax rates and statutes will now work more in favour of the organised retail sector, narrowing a legacy cost disadvantage that this segment suffered against unorganised competitors. The result is that the country's organised sector will emerge increasingly competitive,

translating into accelerated growth across the foreseeable future.

In addition to GST, we believe an increase in Minimum Support Prices for crops, a growing government focus on agriculture, stable monsoons, the government focusing on public health cover (expected to translate into higher disposable incomes), stronger consumption thrust and job creation at the grassroots are factors that could drive retail consumption.

This is only one side of the unfolding Indian retail story. I believe that something fascinating is underway in India even as you read: a convergence of diverse realities is providing the fuel for the Great Indian Retail Revolution. Until a decade ago, most Indians were largely exposed to the electronic media (television) and we believed that this singular influence was transforming our consumption appetite.

In the last few years, a new media has emerged: the smartphone. The smartphone has connected completely disparate population clusters to new fashion trends; what was worn on the ramp in Milan can be seamlessly accessed by someone in Dhanbad; an actor's wardrobe

in one country becomes the talk of the world through social media within hours. There is good reason to believe that television is now only a poor cousin when it comes to influencing consumer behaviour. The smartphone is no longer a window through which one can see what is happening the world over; it is also the gateway through which consumers may transact and buy with the click of a few buttons. With technology emerging as the influencer cum merchandiser, the retail sector addresses a dynamic reality with far-reaching ripples.

In such a scenario, it would be reasonable to believe that the smartphone (with its complement of appetite-creators like the social media and the appetite-satiators like product providers) would address relatively consumed markets, which means their influence would help widen the market and then make it possible for the really nimble to account for a sizable share.

But what of a market that has not yet been penetrated? What about



the question is not how much the market can grow to support organised retail growth but how much organised retail can grow to address the vast national potential.



geographies where organised retail is yet to reach? What about non-metro markets yet to be exposed to the complement of wide choice, prudent merchandising, attractive pricing and loyalty incentives? This is not a market to be overlooked: this is possibly the largest retail opportunity in the world, addressing a sizable population of more than 1000 mn people in a single country; this is where out of 5000 towns across the national landscape, only about 500 have been touched by the power of organised retail. Given this reality, the question is not how much the market can grow to support organised retail growth but how much organised retail can grow to address the vast national potential.

At V-Mart we believe that this observation goes deeper than what one would expect. In the retail sector, growth is a given: for the simple reason that the larger the volume being marketed, the stronger the negotiation for lower prices, which in turn could help widen the market and increase consumption. In view of this, there is a premium on the ability to keep riding this virtuous cycle, a premium reflected in a robust Balance Sheet, relative under-borrowing, growing footprint, informed understanding of what sells fastest, ability to rotate inventory faster and enhance overall margins/surpluses available for reinvestment into more outlets – to keep the virtuous engine ignited.

Having spelt out what it takes to be sustainably successful, it would

now be relevant to indicate how V-Mart measures up.

At V-Mart, it's all about creation of value. Value creation at V-Mart happens due to constant efforts towards building stronger capabilities, gaining a competitive edge over peers and consistency in our growth strategies. Due to this zest, we have outperformed the long-term sectoral growth curve and created value not just internally but also for our end beneficiaries – our shareholders.

In the five years ending 2017-18, V-Mart grew from 89 stores to 171 stores, strengthened revenues from ₹5,750 million to ₹12,224 million and increased profit after tax from ₹252 million to ₹777 million.

During the last financial year, V-Mart reported attractive growth: revenues grew 22 per cent, profit after tax strengthened 77 per cent and EBITDA margin climbed 233 bps to 2 per cent.

In the organised retail sector, god lies in the fine print. And so it is in the quality of our business as well: revenue per sq ft increased 3 per cent, inventory turns remained constant, same-store revenue growth 8.9 per cent and the volume increased by 24 per cent.

The operational efficiency translated into financial muscle: we are debt-free, the cash profit of ₹1,024 million (before tax) return on employed capital was 35.3 per cent. These numbers indicate an

**We accelerated store rollout; the 31 stores that were commissioned during the year under review were the largest in any single year in our existence.**



organisational maturing, where even fleeting erraticity has been replaced by the smoothness of the business engine and revenue/profit predictability.

At V-Mart the priority is to protect this operational engine – where all numbers need to be in sync – through prudent de-risking. We will follow a conscious approach, we will grow stores only in Tier 2, 3 and 4 locations, we will commission stores only in pockets where we can break-even by the end of the first quarter of launch and be net-positive starting the first year, we will commission only as many stores as we can fund with internal accruals and we will close stores that under-perform our desired profitability. It would be tempting to grow the fastest in response to the prevailing potential by loading debt on our books but: it is a temptation we intend to avoid.

At V-Mart, we believe that the larger the scale, the greater the competence needed to sustain it. In view of this, we invested broadly across three areas: building people capabilities, increasing technology investments and systemising better processes.

We truly believe our human capital is what brings the Company alive. During the year under review, we were able to retain hardworking people, keep our staff motivated and also recruit young talent to further our growth story.

We accelerated store rollout; the 31 stores that were commissioned during the year under review were the largest in any single year in our existence. These stores give us a platform to reach our customers, which is not available in the digital world. We strengthened our brand around a superior price-value proposition and invested in trend

analytics, using that understanding to strengthen our product mix. The Company had a strong team that worked throughout the season to provide the latest fashion apparel to customers and meet the needs of the current generation. We invested in digitalisation. The store layout and ambience was improved and visual merchandising was enhanced. The Company launched successful marketing campaigns and consolidated the number of vendors in return for lower costs. Investments were made in warehouse automation. We widened



**“We finished the year stronger, more optimistic of prospects and more confident of addressing the future.”**

our operating footprint (entering Tier 4 locations) and strengthened our supply chain to make it faster and more flexible through investments in technologies such as INFOR. We introduced Manthan software for advanced analytics leveraging data and support for more informed operations. For better planning we have introduced Darwin.

These are the ways in which we proactively analysed and met the needs of our customers and delivered their expectations. Our

company also progressed in offering private labels such as Be Princess, Flick, Desi Mix and Twist etc. to cater to the various needs of our customers.

We acted as both buyers and sellers, sourcing from one market and selling that merchandise in others. With our motto of value retailing, we look towards creating large-scale demand for sustainable merchandise and bring about a transformation in the nation's fashion industry.

We finished the year stronger, more optimistic of prospects and more confident of addressing the future.

We are optimistic of increased revenues, profitable growth; store rollout funded through our earnings, deeper technology cum people investments as well as disruptive growth in the areas of our presence.

We plan to bring in diversity and transparency in doing business, which will create value for our shareholders and help us build an even stronger company.

**Lalit Agarwal**  
Chairman



## We are all about creating value

### 3 things we believe are integral to the creation of value

Value-creation begins with the **team**; only if we create attractive employee value, we can hope to create value for other stakeholders

Value-creation is the result of **consistency in strategy**; only when the company has competitive advantage it can hope to create sustainable value

Only when a company is able to create **value for all stakeholders** is the value creation engine considered to be sustainable



# Value creation at V-Mart: an overview

## Strategy in action

**We outperformed the long-term sectoral growth curve through the following strategies**

**Widened** our footprint across non-metro India

**Focused** on the apparel segment

**Provided** semi-urban customers with a near-urban shopping experience

**Leveraged** technology to do the business more efficiently

**Stayed** debt-free

**Kept** the business model simple



## Creating value for **our customers**

**We enhance** value for our customers in four ways.

**Service:** We invested in providing our customers a superior store ambience – reflected in space, right merchandise and a superior price-value proposition.

**Choice:** Customers select to buy from retail brands that provide wide choice. Over the years, V-Mart invested in widening merchandise: from 3,986 SKU in 2016-17 to 4,591 SKU in 2017-18. The result of this widening choice translated into a growing conversion efficiency.

**Superior price-value:** Customers will purchase from stores that provide them with the best price-value proposition: reflected in superior quality and affordable price. The Company leveraged economies of scale and organised sector commitment to invest in processes, practices and protocols, making it possible to generate superior value from vendors and enhanced systems-driven quality.

**Proximity:** V-Mart is present in Tier I, II, III & IV towns across West, North and East India. The company extended into Tier-IV towns: of ten stores launched between October and December 2018, five were in Tier-IV towns marked by volume off take (as opposed to high priced products). The company intends to deepen its footprint by launching stores within 100 to 150 kilometres of existing stores, strengthening synergy and economies. The prudence of our locational selection is reflected in steady or rising revenue per square feet: from ₹799 in 2016-17 to ₹823 in 2017-18. There are 5,000 more such towns with a population of more than 200,000 across India where V-Mart can have a presence, capitalising the untapped opportunity.

30

Million Footfall, 2017-18

## Creating value for **our employees**

**We enhance** value for our employees in various ways.

**Increased employment:** Over the years, we increased employees: from 4,967 in 2016-17 to 5,868 in 2017-18. This reflected in increased remuneration outgo: from ₹783 million in 2016-17 to ₹984 million in 2017-18. Average remuneration per employee strengthened 7% per cent during this period.

**Productivity:** Our training programmes helped enhance average employee productivity. We have bettered our employee

productivity with the help of training and capability building. We also helped in enhancing their wealth through ESOP facility.

Our employees enjoy greater social security, get health check-ups and career progression through their association with the Company.

40

Hours of training to all front end employees





## Enhancing value **for shareholders**

**We believe** that the trickle-down of our corporate strategy needs to reflect in our market capitalisation.

**Valuation:** Our market capitalisation was ₹34,654 million as on 31 March 2018 compared with ₹14,897 million on 31 March 2017. The company enhanced its market capitalisation growth by 14 times in the last five years. We have been recognised as the world's best performing departmental store by Bloomberg.

**Cash ploughback:** The financial foundation of the company's value-creation is a high proportion of retained cash profit reinvested in the business. The company invested ₹1,208 million in the business from accruals in the three years ending 2017-18, building the business for the next round of growth. This strategy of controlled growth (without compromising the integrity of the

Balance Sheet) represents a prudent de-risking approach on one hand and provides attractive sustainable growth on the other. We also follow the highest standards of corporate governance.

**Indebtedness:** The Company follows a debt-averse business expansion approach and its indebtedness was virtually nil at the close of 2017-18 against a net worth of ₹3,474 million, indicating a large head room to grow the business should the company seek to exercise any alternative financing strategy.

**35%**  
ROCE

## Value for **the community**

**We contribute** attractively to the national exchequer.

The company has contributed an aggregate more than ₹3,000 million to the exchequer through various taxes (direct and indirect) in the five years ending 2017-18.

The company also serves society through employment generation in one of the fastest growing organised sectors in India through its presence in smaller towns and cities across North and East India. Few of the activities undertaken during FY 2017-18 were donation of apparel, sewing centres, wing of words and project koshish. We have programs such as 'Sahyog' which enhances vendor interaction and appreciation and 'Unnati' which helps vendors get payments before due dates, strengthening their the relationship with us.

**Skill development initiative:** At V-Mart, we have undertaken a

skill development initiative for the betterment of unemployed youth.

In an endeavor to impact the livelihood of the nation's youth; it is setting up training centers as well as hostel facilities for the candidates. The Company's first training centre opened in Lucknow, Uttar Pradesh.

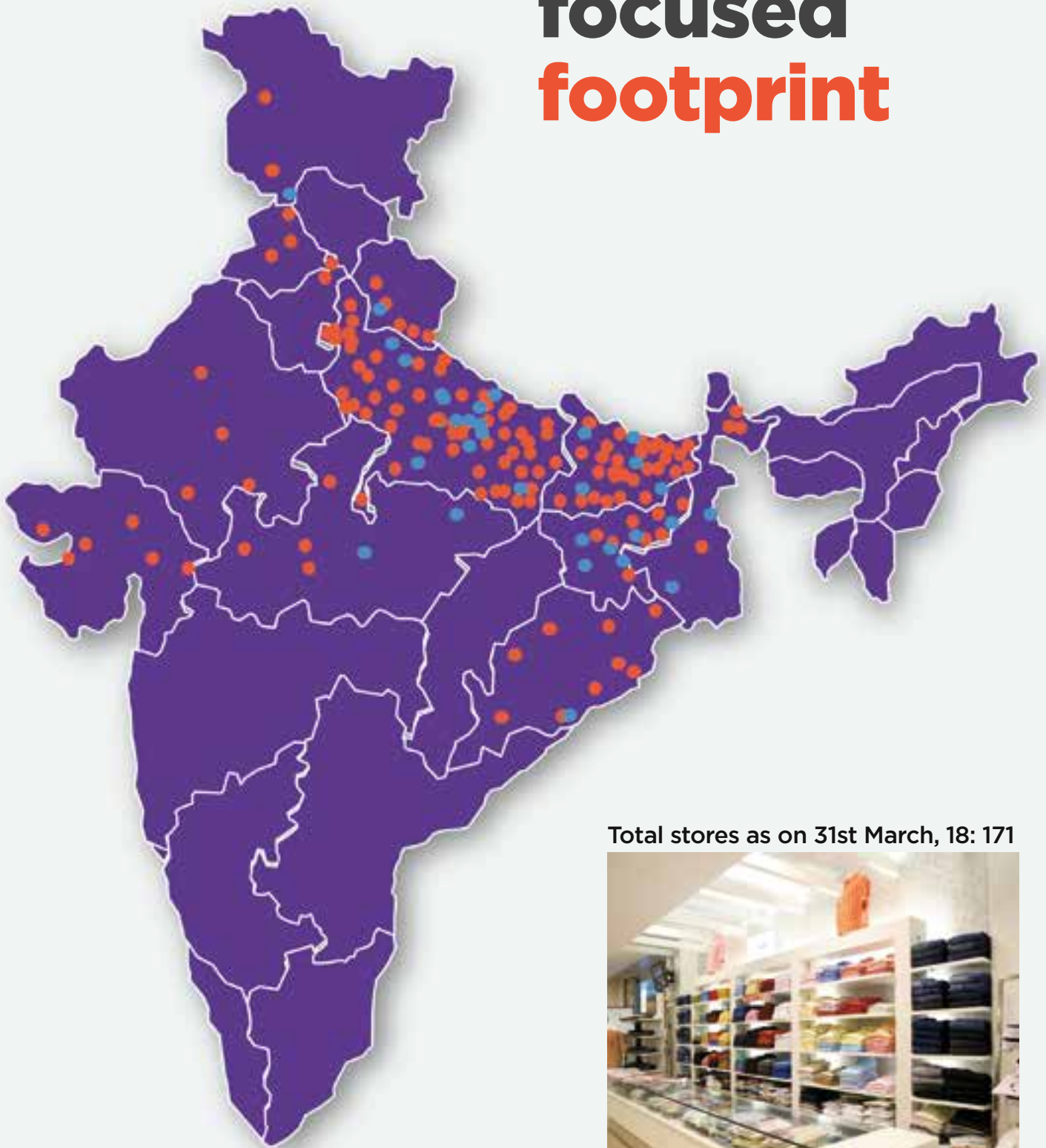
The training curriculum is based on modules of Retail, IT, soft skills and English; on successful completion of the course, candidates would be certified by the Sector Skill Council.

The Company also undertakes community outreach and development programs through all its stores.

**300+**

community development  
initiatives

# Our focused footprint



Total stores as on 31st March, 18: 171

# Our business drivers

## What makes India a compelling retail destination

**Population growth:** India is the second most populous country in the world which is growing at a fast pace creating a perpetually growing retail appetite. The nation is growing at a GDP rate of 7 per cent and the rate of consumption is also rising. The result: India is expected to become the fifth-largest consumer market by 2025 backed by increasing disposable incomes, changing lifestyles and escalating growth in the retail segment (both online and offline).

**Sectoral opportunity:** Nearly 33 per cent of the urban Indian population resides in metros and Tier-I cities. The rest lives in Tier-II, III, IV towns and its villages. The country suffers from a large consumer spending skew: the urban centres of the country are relatively saturated.

**Demographics:** We believe that India is ripe for an organised retail revolution given the fact that a large proportion of earners are now in their youth; and this economically productive population has a number of decades of active earning ahead.

**Personal incomes:** We believe that India will continue to enhance personal incomes, the foundation of its consumption engine.

**Influences:** India is passing through one of its most exciting transformations, wherein the power of the media (social and print) is enhancing the need for people to look good and feel better. This is transforming the need for people to buy apparel (for instance) from the functional to the fashionable.

**Retail penetration:** Most of the developed nations have an organised retail penetration of 80 per cent, whereas in India, the corresponding figure is less than 10 per cent. As consumers become more demanding and value-seeking, they will move a large part of their purchases to organised retail brands.

## What we have done to address the national retail opportunity

**First-mover:** V-Mart has selected to be the willing contrarian. While it would have been easier to enter known and mapped urban locations, the company selected to enter non-metro locations, marked by growing disposable incomes and aspirations.

**Fiscal discipline:** V-Mart's growing presence in Tier-II, III and IV towns has generated related benefits such as relatively low rentals, high recall among consumers, ability to keep

employee costs and overheads under control and enjoy high customer loyalty.

**Systems-led approach:** V-Mart has consistently invested in strengthening its supply chain, information management and delivery (products and services).

**Centralised warehousing:** V-Mart had four warehouses till 2014. In 2015, the company leveraged a hub-and-spoke delivery model to reduce the number of warehouses to one, moderating inward (from vendors) and outward (from stores) product movement cycles, while strengthening inventory control and profitability.

**Location selection:** V-Mart conducts extensive research in the selection of store locations, influenced by the presence of competing organised retail brands, consumer demographical profile, customer aspirations, rental affordability and the income generating potential of the region.

**GST impact:** Nearly 85% of the company's revenues were derived from products with a sticker price of ₹1,000 or lower, attracting the lowest tax slab of 5%, strengthening the company's positioning as a value-led retailer. Ease in documentation also entailed faster delivery cycles.

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## Attracting customers

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We recognise that in a world marked by choice, competition and brand clutter, the principal challenge lies in attracting prospective consumers into our stores.

Over the years, the Company invested extensively in enhancing its brand and store visibility through various media while the rest was invested in outdoor collaterals which helped the Company optimise marketing expenses as well as enhance consumer walk-ins.

Our cluster-based approach allowed us to cater to the needs of different regions more effectively.

### Business-strengthening initiatives, 2017-18

- Ventured into Tier-IV towns with 19 stores. Launched 31 stores; shut operations across 1 location.
- Revamped stores to enhance their aesthetic appeal
- Developed a celebrity brand campaign fronted by Bollywood actors Ayushmann Khurrana and

Bhumi Pednekar and sponsored events across the regions of presence

### Outlook

The Company intends to revamp and widen its presence on social and digital media, commission stores in North East India, strengthen the existing brand campaign and reinforce customer feedback collecting mechanisms to service customers better.

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## Robust supply chain

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We have invested in best-in-class data management systems to reliably forecast demand-supply patterns. Over the years, this competence has translated into the ability to stock products that consumers need. We also invested in defined standard operating processes related to warehousing and supply chain management and employed dedicated personnel to address warehousing complexities.

### Achievements

- Enhanced documentation and

transportation efficiency following the introduction of the e-way bill

- Consolidated outsourced logistics with third-party logistics players for a superior financial proposition
- Employed automatic shrink-wrapping machines for cartons to reduce pilferage
- Established a print-and-apply system to check and weigh cartons before forwarding to stores, minimising shrinkage

### Outlook

The company intends to scale warehouse capacity, addressing the rollout of prospective stores, and reduce turnaround times and operational costs. It aims to leverage the advanced warehouse merchandise planning system to moderate the days of inventory and improve delivery dependability to the stores.



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## Prudently financing our business

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We been a consistently conservative company, selecting to grow the business out of accruals rather than debt. Over the years, the company has been zero-debt for long-term requirements. The company's progressive philosophy of de-risking through capital investments made out of accruals has strengthened its business sustainability.

The Company enjoys a long-term

and short-term credit rating of A+ and A1+ respectively by ICRA and also has multiple banking arrangements with HDFC, ICICI and State Bank of India for short-term working capital funding and other services.

### Achievements, 2017-18

- Leveraged cash to negotiate better pricing from vendors against quicker payment terms.

- Maintained inventory turns at 4.24x despite commissioning 31 stores during the year

- Attracted foreign institutional shareholding (increase from 27% in FY2016-17 to 32% in FY2017-18)

### Outlook

The company intends to sustain revenue growth, maintain margins and enhance its surplus.

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## Wiring our business better

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We proactively invested in an information technology backbone with the objective to recognise in real-time the movement of its products in the marketplace.

The Company demonstrated inter and intra-departmental seamlessness through the deployment of best-in-class technologies. This makes it possible to share information and move products quicker between the

warehouse and stores across the wide geographic footprint.

We also set up a new data center, made investments in IT infrastructure, disaster recovery facility, deployed retail analytics software and a world-class range management software.

### Achievements, 2017-18

- A new world class retail analytics software and range management

software implemented.

- It implemented a special pallet tracking system at the warehouse to optimise space utilisation and reduce costs

### Outlook

The company intends to continue to implement focus on further investing in technology and people growth.

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## Managing our people

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In view of the customer-interfaced nature of the business, the company recruited people-friendly individuals, possessing communication and business management competencies. The result is that V-Mart enjoys growing productivity, strengthening store conversion rates and offtake.

We undertook talent management exercises such as employee engagement and identifying workforce requirements for the

next five years and also enrolled in the Great Place to Work® survey to strengthen its reputation as an employer of choice.

### Achievements, 2017-18

- Strengthened operating workplace culture
- Conducted a series of functional and behavioural training drills for employees
- Motivated employees to perform better through mid-year store

designation re-assessments

- Used high-tech interventions to reinforce on the job learning
- Provided 40 hours of training to all front end employees

### Outlook

The company intends to enrich workforce experiences, engage closer with employees, facilitate out-of-the-box thinking,

# Management discussion and analysis



## Global economic overview

In 2017, a decade after the global economy weakened, a revival appeared visible. Most major economies expanded: Euro-zone growth, modest growth in Japan,

late revival in China and improving realities in Russia and Brazil. The global economy grew an estimated 3.7 per cent in 2017, a good 60 bps higher than the previous year. However, crude oil prices increased

(from year-start \$54 per barrel, declining to a low of \$47 per barrel in June 2017 and closing the year at \$61 per barrel, the highest since 2013)

## Global economic growth

Year	2014	2015	2016	2017 (e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

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

## GDP growth rates of emerging Asian nations

Nation	2016	2017	2018*
Emerging and Developing Asia	6.4%	6.5%	6.5%
ASEAN-5 nations	4.9%	5.3%	5.3%

\*estimated; (Source: IMF)

## Outlook

Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9 per cent (Source: WEO, IMF)

## Indian economic overview

After registering GDP growth of over 7 per cent for the third year in succession in 2016-17, the Indian

economy headed for an estimated 6.6 per cent growth in 2017-18. The year under review was marked by various structural reforms by the Government. In addition to GST introduction, the year witnessed significant steps towards resolution of problems associated with bank non-performing assets, FDI

liberalisation, bank recapitalisation and privatisation of coal mines. After remaining in negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to US\$ 414 billion as on January 2018. (Source: CSO, economic survey 2017-18)



### **Foreign Direct Investment (FDI)**

From a macroscopic perspective, India has become more open in the financial and technology sectors. This helped it capitalise on opportunities and attract more FDI. India presents FDI opportunities in the financial, discretionary consumption and infrastructure spaces. The country should receive gross FDI inflows of \$120 billion by 2027.



### **Digitalisation**

The three national catalysts comprise financial inclusion (Jan Dhan), universal biometric identification system (Aadhaar) and rising smartphone penetration (JAM, or Jan Dhan, Aadhaar, Mobile), coupled with movement towards a fully online goods and services tax (GST) system. These have strengthened digitalisation, financial access and formalisation.



### **Demographic dividend**

India has a median population age of 27.3 years compared to 35 years for China and around 47 years for Japan. It is estimated that India has around 390 million millennials and about 440 million in the Gen-Z category. About 12 million people are added to the working age population a year.



### **Rising per capita income**

Per-capita growth is a measure of India's living standard. Rising per capita incomes imply growing stability and economic wealth. In 2017-18, India's per capita income was estimated to be ₹1, 11,782 a growth of 8.3 per cent.



### **Liberalisation of single brand retail trade (SBRT) sector**

The government liberalised the single-brand retail trading sector. As a result, 100 per cent FDI shall be permitted under the automatic route (without any prior approval) for entities engaged in single-brand retail trading activities.

## **Outlook**

World Bank projected India's economic growth to accelerate to 7.3 per cent in 2018-19 and 7.5 per cent in 2019-20, riding private consumption and services. Over the medium-term, GST is expected to catalyse economic activity and fiscal sustainability by reducing the cost of complying with multiple state tax systems, drawing informal activity into the formal sector and expanding the national tax base.

### **Indian retail sector snapshot**

The Indian retail sector in India

accounts for >10 per cent of the country's GDP and employs ~8 per cent of the workforce. Growing at a rate of 12 per cent annually, the sector size is estimated at US\$672 billion. The country is the fifth-largest retail destination, enjoying a share of 55 per cent of the total global retail market during FY2016-17.

The sector's growth is being fuelled by an increasing consumer base, rising incomes, growing aspirations, favourable demographics, easy credit availability and technological advancements coupled with

the advent of social media. The e-commerce industry is expected to further boost retail industry growth in India.

The country's retail development has been rapid not just in the metros, but also in the Tier-II and Tier-III cities. The purchasing power of Indian consumer is growing in categories like apparels, cosmetics, shoes, watches, beverages, food and even jewelry. The size, scope and complexity of the Indian retail industry has undergone substantial change over the past two decades,

despite retailers largely operating in spaces <500 square feet in size. Indian retail is predominantly unorganised and fragmented with thousands of local brands controlled by local distributors. The "Organised Retail Market" was valued at \$60 billion in April 2018, which is only 9 per cent of the total sector. The "Unorganised Retail Market" constitutes 91 per cent of the sector. This structure makes it easier to let vendors list on a platform, rather than

build inventory from the ground level.

In the early 2017, companies were still reeling from the after effects of demonetisation. Though initially, demonetisation had impacted the retail sector adversely causing cash crunch and slowing down of sales, eventually it proved to be beneficial. Non cash transactions have reduced and more and more consumers use plastic money for payments. It also disrupted the cash-

centric and largely untaxed informal economy by getting a larger slice of the population onto the digital economic grid which was beneficial for organised retail players.

In general, the year 2017 was one of the most defining years for the retail sector. Besides addressing the after-effects of demonetisation, companies also had to cope up with GST implementation coupled with growth in e-commerce.

### Opportunities for domestic and international players

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

[Source: Spire Research and Consulting]

### Segment-wise contribution, April 2018

Unorganised	Organised	E-tail
90%	9%	1%

(Source: IBEF)

### Segment-wise contribution in organised retail

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

(Source: IBEF)

### Household income levels (2015)

	Income bracket (₹ lac)	Number of households (million)
Urban	2,50,000	0.43
	11,320	27
	3,216	129
Rural	2,159	120
	647	243

(Source: Census, Labour Bureau, SEC, Government of India, Goldman Sachs Global Investment Research)

## Advantage India

Market value of retail in 2016  
(billion)

US\$672

Market value in 2020(E)  
(trillion)

US\$1.3

India's rank in A.T. Kearney's 2017  
Global Retail Development Index

#1

India's rank as a global  
retail destination

#5

Retail sector's contribution to  
India's GDP

10%

Retail sector's contribution to  
India's employment

#1

Retail industry's  
annual growth rate

12%

Retail industry's market size  
in India (billion)

\$672

Median age  
in India (years)

24

(Source: IBEF)

### Emerging trends

**Increasing consumption:** The Indian retail sector recovered from the impact of demonetisation and the roll-out issues linked to GST. In the next one year, retailers are expected to post higher revenue growth. Businesses in the space of food and grocery, apparel and sports goods are poised to grow faster than others, owing to changing consumer mindset and rising sales.

**New models:** Retailers will need to adopt omni-channel to not just survive, but leverage a growing opportunity. They will also need to evaluate expansion through own or franchisees and establish a customised model. GST implementation could stabilise marked by rate cuts across products.

**Digital payments:** The digital transformation unlocked post demonetisation brought about a significant change in the way consumers interact with retailers. The transition from traditional commerce to e-commerce and m-commerce has been driven by the retail segment. Consumers are shopping through e-wallets and m-wallets, strengthening online retail. More consumers from Tier-II, III and

IV cities are likely to engage in the digital movement, with the Central Government set to introduce reforms.

**Intelligent automation:** Retailers could seek solutions not just in finance and IT but also in core retail areas like merchandising and supply chain. Retail companies that are early adopters could enjoy an edge over others, saving costs and enhancing model flexibility. [Source: Financial Express]

### The Indian FMCG industry overview

The industry, which is going through a slowdown for the past three years, has a potential to grow by more than 15 per cent over the next two to three years, if players in the sector focus on improving brand penetration, a recent study revealed. India is at the cusp of the FMCG S-curve and there is significant room to grow over the next five to 10 years. The industry has seen growth accelerating in 2016 over the previous two years, with 18 of the 22 categories recording an uptick, driven by rural markets. The sector is expected to grow at a CAGR of 20.6 per cent to reach US\$ 103.7 billion by 2020. Accounting for a revenue share of ~60 per cent, rural

segment is the largest contributor to the overall revenue generated by the FMCG sector in India and recorded a market size of around US\$ 29.4 billion in 2016 and is expected to grow to US\$ 220 billion in 2025. (Source: CII, Bain & Company, IBEF, Financial Express)

### Growing rural prosperity

**Wages:** The growth in nominal rural wages remained stable at 6-6.5 per cent in FY17 and in the first four months of FY18. However, owing to a fall in inflation, real rural wages accelerated over 12 months. After remaining flat y-o-y in 1HFY17, growth improved to 3.3 per cent in 2HFY17 and to 4.8 per cent during April-July 2017, the fastest in four years.

**Direct benefit transfers:** Transfer of government subsidies and payments directly into the bank accounts of beneficiaries helped ease out middlemen and check systemic leakages. This enabled better targeting of subsidies and increased transparency. The number of schemes covered under DBT increased from 59 in FY16 to 140 in FY17 and 412 in FY18 [are you sure?].

**MSPs:** The government announced MSPs for rabi crops in October 2017.

On a simple average basis, the MSP hike for rabi crops was 8.3per cent for FY18. Although lower than the 11.3per cent hike in FY17, it was better than the average hike of 7.1per cent across five years. Importantly, MSP for wheat, the most-procured rabi crop, increased by 6.8per cent in FY18, the fastest pace in six years. With the government announcing MSPs to be at least 1.5x of the cost of farming, the farmer earnings are expected to strengthen.

**Farm loan waivers:** A number of State Governments announced waivers of farm credit. This is expected to enhance cash availability among farmers and boost rural demand.

#### Government initiatives

- The Government of India's decision to allow 100per cent FDI in online retail of goods and services through the automatic route provided clarity for e-commerce companies in India
- With the demand for skilled labour growing among Indian industries, the government plans to train 500 million people by 2022, while encouraging private players to invest in the venture. Many governments, corporate and educational organisations are working towards providing training and education to create a skilled workforce.
- The Government drafted a new Consumer Protection Bill with a special emphasis in setting up an extensive mechanism to ensure simple, speedy, accessible, affordable and timely justice to consumers.

#### Budgetary provisions

- Food subsidy seen at ₹1.69 trillion, fertiliser subsidy seen at ₹701 billion in 2018-19
- Reduce corporate tax to 25per cent for companies which report turnover of up to ₹2.5 billion
- Allocates up to ₹11 trillion credit for agricultural activities
- Minimum support price of all crops to be increased to at least 1.5x of the

production cost

- Export of agriculture commodities to be liberalised
- 100per cent tax deduction for the first five years to companies registered as farmer producer companies with a turnover of ₹1 billion and above

#### The GST game-changer

The GST is considered to be a game changer for the Indian economy. This has been the biggest indirect tax reform which was long awaited and promises to create a unilateral platform for all goods and services offered in India. The retail sector is of paramount significance as it not only includes a huge volume of transactions but also generates mass employment in urban and rural areas.



**More consumers from Tier-II, III and IV cities are likely to engage in the digital movement, with the Central Government set to introduce reforms.**

**GST will reduce taxes with more transparency:** In the VAT regime, retail products were subject to VAT, CST, and service tax on warehousing. Apart from that, the products were also subject to octroi or entry taxes along with consulting fees and rent. GST system is helping reduce taxes and sticker price of products.

**Increase in supply efficiency could be an advantage:** Supply efficiency is another highlight transforming the traditional retail sector. CST was abolished with no need of warehouses, strengthening the

sector's cost structure.

**Consistent input tax credit:** This has eliminated the cascading effect of taxes in the retail industry.

**Location and compliance factor not an issue:** Location-wise, in the GST era, place of supply for retail was the location where goods were delivered in a stipulated time frame. Importantly enough, the role of the entire compliance system under GST relies on Goods and Services Tax Network (GSTN) which is managing all issues regarding registration, returns, payments and the other aspects of the whole procedure.

**Competing with the e-commerce domain will be important:** For the last few years the e-commerce domain has been considered to be the biggest opponent of the retail sector. In the GST era, all such companies will be required to consider their operations across which will require huge logistical support with improved infrastructure.

**Probable expansion of retail sector:** Considerable advantages in taxation and operating domain could provide opportunities along with cost savings. Besides, widening markets for retailers could expand the market. (Source: VGNC)

#### 4 trends shaping Indian retail

- Strengthening existing and new retail markets
- Retail-tainment, enhancing leisure through shopping
- Physical store core to retailing
- Refitting of popular superstores

#### Demand drivers

**National prosperity:** Mapping the growth curve since 2000, household wealth in India has grown by 9.2per cent annually, faster than the global average (6per cent) while taking into account the population growth of 2.2 per cent per annum. India's total household wealth increased by 10 per cent to \$5 trillion by mid-2017 while market capitalisation increased



by 30 per cent. Consequently, India accounted for the eighth-largest wealth gain globally, with a growing affluence of US\$451 billion. Domestic household wealth is anticipated to grow by 7.5 per cent annually, reaching \$7.1 trillion by 2022. The number of millionaires grew by 21.3 per cent to reach 2.45,000 in mid-2017, owning US\$988 billion in wealth. (Source: Credit Suisse)

**Monsoon consumption:** The monsoon is the lifeblood for India's farm-dependent \$2.3 trillion economy, as at least half the farmlands are rain-fed. Good monsoons increase rural spending and consumption. After 2018, the next year is also expected to witness a good monsoon which could revive

market sentiment and retail growth.

**Disposable incomes:** The substantial spurt in discretionary income along with easy financing schemes has shortened product replacement cycles. As Indians climb the economic ladder, the composition of their spend could change: discretionary spend to take up a larger share of the shopping basket.

**Demographic dividend:** With a growing population of 1.34 billion, India is the second largest consumer market by population, whose demographic growth is linked to the country's growth story.

**Rapid urbanisation:** India's urban population is around 33.5% of the total population, contributing over

60% of India's GDP. It is projected that urban India will contribute nearly 75% of the national GDP by 2030. As India's population continues to grow, more citizens will move to cities. It is estimated that by 2050, the number of people living in Indian cities will touch 850 million. Smarter ways to manage complexities, reduce expenses, increase efficiency and improve the quality of life are required to accommodate this rapid urbanisation and make cities smart.

**Credit availability:** The growing use of 'plastic money' i.e. credit and debit cards has resulted in increased spending. Incentives such as cashback offers or discounts on selected sales linked to the plastic money have increased purchases.

### Age distribution of Indian population (%)

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

[Source: CIA – The World Factbook]

### Three aspects of India's changing shape of consumption

Share of household consumption expenditure: rising affluence

	Strugglers (<2.3)*	Next- billion (2.3-7.7)*	Aspirers (7.7-15.4)*	Affluent (15.4-30.8)*	Elite (>30.8)*
2016	11%	38%	24%	15%	12%
2025	6%	30%	25%	20%	20%

\*Annual gross household income (in thousands)

Share of household consumption expenditure: Growth of emerging cities

	Rural	Tier- IV	Tier-III	Tier-II	Tier-I	Metropolis
2016	51%	13%	10%	4%	10%	12%
2025	42%	17%	12%	5%	13%	12%

Share of household consumption expenditure: Rise of nuclear households

	Nuclear families	Other family structures
2016	68%	32%
2025	74%	26%

[Source: BCG]

### Age distribution of Indian population (%)

	Debit and credit card usage trend ('000)		Deployment of gross bank credit (₹ billion)
	Debit card transactions	Credit card transactions	Loans for purchase of consumer durables
2012-13	59,72,532	3,99,230	84
2013-14	69,06,848	5,02,852	128
2014-15	78,03,733	6,19,427	153
2015-16	92,46,153	7,91,650	178
2016-17	1,09,62,360	10,97,516	208

[Source: Reserve Bank of India]

### Changing face of Indian consumerism

Indian consumers are looking to improve lifestyles through global brands and experiences. Changing consumption pattern with rising preference for premium/value-added products and formalisation of the economy, we believe, will drive higher value growth as customers upgrade to premium products—a trend under way.

### Shift in consumption patterns

	Food and beverages	Housing	Apparel	Health	Education	Others
2017-2025	22	15.5	8	5	3.5	46
2006-2016	31	15	7	4	3	40
1990-2005	45	14	6	3	3	29

[Source: McKinsey, World Bank, Edelweiss]

### Rising number of nuclear families

The growing number of households has not only pushed the demand for necessities but the combined mix of greater purchasing power and willingness to spend has resulted in the nuclear family's shifting focus towards luxury/semi-luxury products. This has led to the emergence of modern retail formats. Average household size of Indian families has been steadily shrinking due to rapid urbanisation and growing working age population. Census 2011 indicated that about half of India's households are nuclear. Contrary to popular perception, nuclear families in rural areas jumped 29% versus mere 9% in urban households. Affordability is the key in urban areas. Nuclearisation is expected to gather momentum as houses become more affordable. Nuclearisation itself is expected to add ~7 million households per year.

### Family dynamics

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

[Source: Census survey]

### Working women

The higher purchasing power in the hands of 'working-women' class compared to the housewives enhances the ability of the former to spend much more comparatively. The 'time constraint' factor also needs to be accounted for by working women while making purchases of various day-to-day requirements. Capitalising on the same, the organised retailers have increasingly emphasised on the 'one-stop shop' concept wherein all the household requirements, ranging from food and grocery to apparel, can be addressed under a single roof.

## Outlook

Indian retail is one of the fastest growing in the world. By 2020, the Indian retail market is projected to reach US\$1.3 trillion from US\$672 billion in 2016.

Consumer expenditure estimated to be US\$3.6 trillion by 2020 vis-à-vis US\$0.627 trillion in 2016. India's modern retail segment is pegged to triple in the next five years. The modern retail market is expected to grow from US\$60 billion to US\$180 billion during FY15-FY20. The FMCG market is expected to increase to US\$103.7 billion by 2020 from US\$49 billion in 2016.

Increasing participation from foreign and private players is expected to boost retail infrastructure. The Central Government's 100%-FDI scheme in the multi-brand retail domain is expected to boost domestic industry. GST implementation could reduce competition from the unorganised sector and provide a level playing field to branded players. [Source: IBEF, CARE, PwC]

## Financial analysis, FY2017-18

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

### Balance sheet

- Net worth increased to ₹3,474.41 million as on 31st March 2018 compared to ₹2,700.38 million as on 31st March 2017
- Borrowings for FY2017-18 stood at ₹3.22 million compared to ₹354.68 million during FY2016-17
- Total non-current assets for FY2017-18 stood at ₹1,812.66 million compared to ₹1,486.57 million in FY2016-17

### Profit and loss statement

- Gross profit margin increased by 2.23% from 29.84% in FY2016-17 compared to 32.08% in FY2017-18

- Total expenses for FY2017-18 stood at ₹10,895.86 million compared to ₹9,169.67 million in FY2016-17

- Depreciation and amortisation stood at ₹229.31 million in FY2017-18 compared to ₹185.53 million in FY2016-17

- EBITDA increased to ₹1,369.27 million in FY2017-18 compared to ₹889.00 million in FY2016-17

### Working capital management

- Current assets as on 31st March 2018 stood at ₹3,686.38 million compared to ₹3,420.49 million as on 31st March 2017
- Inventories increased from ₹2,691.75 million as on 31st March 2017 compared to ₹3,071.12 million as on 31st March 2018
- Current liabilities stood at ₹1,940.67 million as on 31st March 2018 compared to ₹2,134.66 million as on 31st March 2017
- Cash and bank balances stood at ₹195.88 million as on 31st March 2018 compared to ₹29.20 million as on 31st March 2017

### Internal control systems and their adequacy

The Company has an effective internal control system in place that ensures the internal processes comply with regulated business policies and procedures. The Board has adopted appropriate measures ensuring orderly and efficient conduct of its business. These controls have been designed to provide reasonable assurance with regard to adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Company has an efficient audit committee in line with the provisions of Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 that ensures

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

### Human resources

The Company believes that its employees contribute wholeheartedly towards the success of the business. The employees are provided with a comfortable working environment and equal opportunity for learning and individual growth. The Company encourages creativity and innovation within the organisation and a modest, respectful and caring attitude when interacting with customers. Some of the HR initiatives undertaken by V-Mart include: V-Mart has a fully-automated HR department and offers appropriate tools, adequate training and required motivation to the employees, helping them perform at their best. V-Mart hosts awareness campaigns, health camps, monthly games and quizzes, encouraging employees to practice, learn and grow interactively. V-Mart supports employees in conflict resolution and protection of rights in line with company policies and employment and labour laws. V-Mart has an open-door policy that ensures employees can freely approach the authorities in case of any issue and that all complaints are resolved within 24 hours. Otherwise, they are escalated to the higher level. V-Mart focuses on building capabilities and creating an ecosystem where employee development holds sway. V-Mart offers compensation-related and other benefits to employees from time to time through a transparent compensation framework. Employees are provided with financial support along with medical check-ups and related benefits. The Company has implemented a reward-and-recognition policy for employees. Promotions are offered at various levels based on performance.

# Risk management

The Company is governed by a stringent risk management framework comprising regular risk assessments, updating of policies, protected channels for information flows and ongoing monitoring.

## Merchandising risk:

Incorrect understanding of market trends can lead to decreased sales

**Mitigation:** V-Mart's longstanding presence in Tier-II and III locations helped it understand varied and evolving consumer preferences in these regions leading to relevant productisation, high conversion and attractive inventory turns.

## Total revenues (₹ million)

FY2015-16	FY2016-17	FY2017-18
8,104	10,058	12,265

**Inventory risk:** Unsold inventory can affect working capital availability, affecting long-term sustainability.

**Mitigation:** V-Mart automated its central warehouse and conducted detailed checks on incoming and outgoing inventory; Slow moving inventory is transferred to other store location or sold on promotional discounts.

## Inventory days

FY2015-16	FY2016-17	FY2017-18
88	86	86

**Location risk:** Expanding business in a new region could affect profitability if the location does not live up to potential.

**Mitigation:** The company engages in extensive surveys to understand the potential demand in a region before commissioning stores. Moreover, the Company's ability to offer quality products at reasonable prices has helped it create markets.

## V-Mart outlets

Metros and Tier-I	Tier-II	Tier-III	Tier-IV
22	44	87	18

**Margins risk:** In a business with narrow margins, a weak business model can result in operational unviability

**Mitigation:** V-Mart's strengthening business model helped optimise sourcing and operating costs on the one hand and generate increased revenues on the other, strengthening margins.

#### EBITDA margin (%)

FY2015-16

7.8

FY2016-17

8.8

FY2017-18

11.2

**Rental risk:** High urban rents can erode profitability

**Mitigation:** The Company's strategic presence in Tier-II, III and IV cities has helped cap lease and rental costs. Properties are also sourced from non-commercial developers who offer low rentals.

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

FY2015-16

4.9

FY2016-17

4.5

FY2017-18

4.3

**Information risk:** Inadequate investment in people, processes and technology can affect the Company

**Mitigation:** The Company's adequate investment in three areas (people, processes and technology) has helped analyse market realities better, leading to getting investments first time right.

#### EBITDA (₹ million)

FY2015-16

630

FY2016-17

889

FY2017-18

1,369

# Corporate social responsibility

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In the contemporary world, consumers not only look at products or services that companies have to offer but also expect them to operate responsibly and give back to the environment and society. Recognising the importance of CSR, the Company has consistently engaged in CSR activities.

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## CSR activities undertaken during FY 2017-18 were:

### Helping underprivileged:

The Company conducted apparel donation drives for underprivileged children across the nation. During the fiscal year, it donated 1,000+ pieces of apparel.

### Women empowerment:

The Company set up sewing centres for training underprivileged women. Currently, V-Mart has 40 sewing machines and 15 professional tailors to train women.

### Wings of words:

Inculcating the will and the skill to read is one of the most empowering contributions one can make towards nation building. We have initiated an integrated reading program for a vast segment of children who don't have access to basic education. We have adopted 2,000 children and are planning to aid up to 5,000 more children.

**Project Koshish:** This special initiative started by

the Company in January 2017 comprised a group of 50 underprivileged children are adopted and trained in soccer over a period of five years. Training is provided thrice a week and the cost is incurred by us.

**Ujjwal Bhavishya:** V-Mart initiated a scholarship program - 'UJJWAL BHAVISHYA' to help under-privileged students continue their education. This initiative is aimed at ensuring that students do not drop out after their 10th standard owing to financial constraints and have potential to complete their secondary education. Ujjwal Bhavishya is designed to assist 750 meritorious students in continuing their education by providing scholarship covering the schooling fees of 11th standard.

# Strong leadership team



**Standing from left to right:** 1. Mr. M. Srinivasan, 2. Mr. Anand Agarwal, 3. Mr. Snehal Shah, 4. Ms. Anjali Goel, 5. Mr. Ramesh Agarwal, 6. Mr. Samir Misra

**Sitting from left to right:** 1. Mr. Rajan Sharma, 2. Mr. Madan Gopal Agarwal, 3. Mr. Lalit Agarwal, 4. Mr. Venugopal Konchoda

# Corporate information

## Board of Directors

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

## Board Committees

### Audit Committee

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

### Nomination & Remuneration Committee

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

### Stakeholders Relationship Committee

1. Ms. Sonal Mattoo, Chairperson
2. Mr. Lalit Agarwal, Member
3. Mr. Madan Gopal Agarwal, Member

### Corporate Social Responsibility (CSR) Committee

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

### Company Secretary & Compliance Officer

Ms. Megha Tandon

### Statutory Auditors

Walker Chandiok & Co. LLP  
Chartered Accountants  
L 41, Connaught Circus, New Delhi - 110001  
Tel: +91 11 4278 7070, Fax: +91 11 4278 7071  
Website: [www.grantthornton.in](http://www.grantthornton.in)  
Contact Person: Anupam Kumar, Partner  
Membership No. 501531  
Firm registration No: 001076N/N500013

### Secretarial Auditor

M/s. VKC & Associates  
Company Secretaries  
C-140, Sector-51, Noida-201303, U.P.  
Tel: + 91-120-4131444  
Website: [www.vkcindia.com](http://www.vkcindia.com)  
Contact Person: Mohit K Dixit, Partner  
Membership No: 49021  
CP No-17827

## Internal Auditors

KPMG  
Building No. 10, 8th Floor,  
Tower-C, DLF Cyber City,  
Phase-II, Gurugram-122002  
Tel: +91-124-3074000  
Website: [www.kpmg.com/in](http://www.kpmg.com/in)

## Bankers

State Bank of India  
ICICI Bank  
HDFC Bank  
Axis 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,  
Gurugram, Haryana, 122016, India.  
Tel: +91 124 - 4640030, Fax: +91 124 - 4640046  
Email: [info@vmart.co.in](mailto:info@vmart.co.in)  
Website: [www.vmart.co.in](http://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  
Financial District, Nanakramguda, Gachibowli  
Hyderabad, Telangana - 500 032  
Phone No.: 040 67162222 Toll Free: 180 0345 4001  
Fax No.: 040 23420814  
Email: [support@karvy.com](mailto:support@karvy.com)  
Website: [www.karvy.com](http://www.karvy.com)

## Senior Management Personnel

Mr. Anand Agarwal (Chief Financial Officer)  
Mr. Samir Misra (Chief Operating Officer)  
Mr. Rajan Sharma, President (Procurement & Sourcing)  
Mr. Snehal Shah, Sr. Vice President (Operations & Marketing)  
Mr. Venugopal Konchada, Vice President (Retail Store Operations)  
Mr. Ramesh Agarwal, Vice President (Warehouse Operations)  
Mr. M. Srinivasan - Vice President (Planning & Analysis)  
Ms. Anjali Goel, Assistant Vice President (Human Resource)  
Mr. Dinesh Srivastava, Assistant Vice President (Information Technology)



## 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, Gurugram - 122016 (Haryana)

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

### NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of the Company will be held on Friday, 29<sup>th</sup> June, 2018 at 09:30 a.m. 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 consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 and the reports of the Board of Directors and Auditors thereon:- **Ordinary Resolution**
2. To declare a dividend at the rate of ₹2/- per equity share for the financial year 2017-18:- **Ordinary Resolution**
3. To appoint a Director in place of Mr. Madam Gopal Agarwal (DIN 02249947), who retires by rotation and being eligible, offers himself for re-appointment:- **Ordinary Resolution**
4. To appoint M/s S.R. Batliboi & Co. LLP (ICAI Firm Registration Number: 301003E/E300005) as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of 21<sup>st</sup> Annual General Meeting of the Company and to fix their remuneration. - **Ordinary Resolution**

#### SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”), The

Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable statutory provisions, rules, regulations and guidelines (including any statutory modification(s), amendments or re-enactment thereof for the time being in force) the approval of Members of the Company be and is hereby accorded for holding of office or place of profit /employment by Mr. Snehal Shah holding office or place of profit, as Sr. V. President- Operations of the Company Son-in-law of Mr. Madan Gopal Agarwal, Whole-time Director and Brother-in-law of Mr. Lalit Agarwal, Managing Director at a remuneration exceeding ₹2,50,000/- per month including but not limited to all basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities and conveniences etc., as detailed in Explanatory Statement.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to review and determine from time to time, change in designation, responsibilities and the term of holding of the said office or place of profit/employment of Mr. Snehal Shah, including his remuneration at its discretion and to do all such necessary acts, deeds, matters and things as are required to be done in this regard.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing Resolution, Ms. Megha Tandon, Company Secretary of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filing of returns with any authority.”

By order of the Board  
For V-Mart Retail Limited

Megha Tandon

Company Secretary  
M. No. ACS 35532

Place: Gurugram  
Date: 24<sup>th</sup> May, 2018



## NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 5 of the Notice, is annexed hereto. The relevant details, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") & Secretarial Standard on General Meetings (SS-2) issued by ICSI, of the person seeking re-appointment as Director under Item No. 3 of the Notice are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER OF The Company.** Duly completed, signed and stamped Proxy Form should be deposited at 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 organisation.  
  
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.
3. Each member present at the meeting or voting through e-voting process shall be entitled to one vote for every equity share held.
4. The Register of Members and Share Transfer Books will remain closed from Friday, 22<sup>nd</sup> June, 2018 to Monday, 2<sup>nd</sup> July, 2018 (both days inclusive) in connection with Annual General Meeting and for the purpose of Dividend.
5. The Board of Directors of the Company at their Meeting held on 24<sup>th</sup> May, 2018 has recommended a dividend at the rate of ₹2/- per Equity Share as final dividend for the financial year 2017-18. The dividend, if approved by the Shareholders at the Annual General Meeting, shall be paid to those Members/ Beneficial Owners whose names appear in the Register of Members/depository records as on 21<sup>st</sup> June, 2018 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 closure of business hours on 21<sup>st</sup> June, 2018; 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 21<sup>st</sup> June, 2018.
6. 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
7. Members/Proxies are requested to bring their attendance slips duly filled in to the Meeting. In case of joint holders attending the Meeting, only such joint holder whose name appear higher in the order of names, as appear in the register of the members, will be entitled to vote.
8. The business set out in the Notice will also be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to remote e-voting are given in this Notice. The Company will also send communication relating to remote e- voting which inter alia would contain details about User ID and Password along with a copy of this Notice to the members, separately.
9. 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 authorising their representative to attend and vote on their behalf at the Meeting.
10. In terms of Section 152 of the Companies Act, 2013, Mr. Madan Gopal Agarwal (DIN: 02249947), Director, retiring by rotation at the Meeting and being eligible, offer himself for re-appointment. The Board of Directors of the Company recommends his re-appointment.
11. 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.
12. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and

Transfer Agents, Karvy 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.

13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy.
14. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact with Company's Registrar and Transfer Agents.
15. 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.
16. Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as it will not be possible to provide extra copy of Annual Report at the Annual General Meeting.
17. Members desirous of getting any information on the accounts of the Company are requested to forward their queries to the Company at least seven working days prior to the Meeting, so that the required information can be made available at the Meeting.
18. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the Member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all rights in the shares shall vest in the event of death of sole holder or all joint holders. Member(s) holding shares in demat form may contact their respective DP for availing this facility.
19. Electronic copy of the Annual Report along with the Notice for 16<sup>th</sup> Annual General Meeting of the Company inter-alia indicating the process and the manner of

remote e- voting along with Attendance Slip and Proxy Form is being sent to all those members who have opted to receive electronic communication or who have registered their email addresses with the Company/ depository participants. The Annual Report along with the Notice of the 16<sup>th</sup> Annual General Meeting of the Company is also available on the website of the Company, i.e. [www.vmart.co.in](http://www.vmart.co.in). For members who have not registered their email addresses, physical copies of the Notice for the 16<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and the manner of remote e- voting along with Attendance Slip and Proxy Form is being sent through the permitted mode.

20. In terms of the Circular No. CIR/MRD/DP/10/2013 dated 21<sup>st</sup> March, 2013 issued by the Securities and Exchange Board of India, Listed Companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS)/ RECS (Regional ECS) / NECS (National ECS)/ NEFT etc. for making cash payments like dividend etc. to the members.

21. 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, Gurugram - 122016.

22. 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.
23. Members who hold shares in physical form in multiple folios with 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.

24. 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.

25. 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.

26. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7<sup>th</sup> September, 2016 ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the Shareholders on such shares during the last seven years to the designated Suspense Account as prescribed by the IEPF Authority.

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

#### **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions of Companies Act, 2013 and pursuant to the provisions of Regulation 44 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 16<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through remote 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 remote e- voting process in a fair and transparent manner. E-voting is optional.

The E- voting rights of the shareholders/beneficiary owners shall be reckoned on the equity shares held by them as on 21st June, 2018 being the Cut-off date for the purpose. Shareholders of the Company holding shares either in physical or in dematerialised form, as on the Cut-off date, may cast their vote electronically. The members as on the cut-off date viz 21st June, 2018, shall only be eligible to vote on the resolution mentioned in Notice of AGM through e- voting as well as at the AGM.

The instructions for remote e- voting are as under:

1. Use the following URL for e-voting from KARVY website: <http://evoting.karvy.com>
2. Shareholders of the Company holding shares either in physical form or in dematerialised form, as on the record date, may cast their vote electronically.
3. Enter the login credentials [i.e., user id and password mentioned overleaf]. In case of physical folio, User ID will be EVENT number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
4. After entering the details appropriately, click on LOGIN.
5. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. You need to login again with the new credentials.
7. On successful login, the system will prompt you to select the EVENT i.e. V-Mart.
8. On the voting page, enter the number of shares as on the cutoff date under "FOR/AGAINST" or alternately you may enter partially any number

in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed the total shareholding. You may also choose the option "ABSTAIN" If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

9. Institutional Shareholders (i.e. Members other than individuals, HUF, NRIs etc.) are required to send a scanned copy of the Board Resolution/authority letter to the Scrutinizer via email at scrutinizer.vmart@gmail.com with copy marked to evoting@karvy.com.
10. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 21<sup>st</sup> June 2018, may obtain the User ID and password in the manner as mentioned below:
  - o If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - o Member may call Karvy's toll free number 1-800-3454-001.
  - o Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
11. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
12. Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period,

Members can login any number of times till they have voted on the Resolution.

13. Once the vote on the Resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
14. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members shall be available at the download section of <http://evoting.karvy.com> or contact KARVY at Tel No. 1800 345 4001 (toll free).
15. The Portal will remain open for voting from: 9.00 a.m. on 26<sup>th</sup> June, 2018 to 5.00 p.m. on 28<sup>th</sup> June, 2018 (both days inclusive).
16. The Scrutinizer shall immediately after the conclusion of the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three days after the conclusion of the AGM to the Chairperson of the Company. The Chairperson or any other person authorised by the Chairperson, shall declare the result of the voting forthwith.
17. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the website of the Company [www.vmart.co.in](http://www.vmart.co.in) and on the website of KARVY <https://evoting.karvy.com> within three days of passing of the Resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed, for placing the same in their website.

### Important Communication to Members

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

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

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

## ANNEXURE TO THE NOTICE

### Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013.

#### Item No. 5

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders is also required. Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. As per section 188(1)(f) of the Companies Act, 2013, your Directors recommends the resolutions for your approval. Mr. Lalit Agarwal, Chairman & Managing Director, Mr. Madan Gopal Agarwal, Whole Time Director, being relative are deemed to be interested or concerned in the respective offices.

Mr. Snehal Shah is a related party within the definition of Section 2(76) of the Companies Act 2013 ("the Act"). Pursuant to the provisions of Section 188 of the Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, appointment of any related party to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding ₹2,50,000/- requires prior approval of the Company by way of Ordinary Resolution. Further, his remuneration may be reviewed and revised from time to time by the Board of the Company based on his performance and as per the remuneration policy of the Company. Besides salary, his remuneration will also include all basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities, and conveniences etc., as per rules of his employer.

The information as required in accordance with Rule 15 of the Companies (Meetings of Board & its Powers) Rules, 2014, as well as pursuant to Sec. 102 of the Act is as under:

- (a) Name of the related party: Mr. Snehal Shah;
- (b) Name of the Director or Key Managerial Personnel who is related: Mr. Madan Gopal Agarwal, Whole-time Director and Mr. Lalit Agarwal, Managing Director & Chairman.
- (c) Nature of relationship: Mr. Snehal Shah is Brother-in-law of Mr. Lalit Agarwal, Managing Director and Promoter of the Company and son-in-law of Mr. Madan Gopal Agarwal, Whole time Director and Promoter of the Company.
- (d) Nature, material terms, monetary value and particulars of the contract or arrangement: Mr. Snehal Shah, is appointed as Sr-President- Operations of the Company at a remuneration exceeding ₹2,50,000/- per month including but not limited to all basic, additional, fixed and variable remunerations, bonus, commission, incentives, allowances, benefits, perquisites, amenities and conveniences etc as per rules of the Company.
- (e) Any other information relevant or important for the members to take a decision on the proposed resolution: He holds a Bachelor's Degree in commerce from K.P.B Hinduja College of Commerce, Mumbai, also Holds a Diploma in Computer Management from Datapro and a Certificate in Management from Crestcom (USA). He is having around one decade of work experience in the retail industry

Except the above, no other Director, Key Managerial Personnel or their relatives are anyway concerned or interested in the proposed ordinary resolution. The Board recommends the resolution set forth in Item No. 5 for approval of the Members.

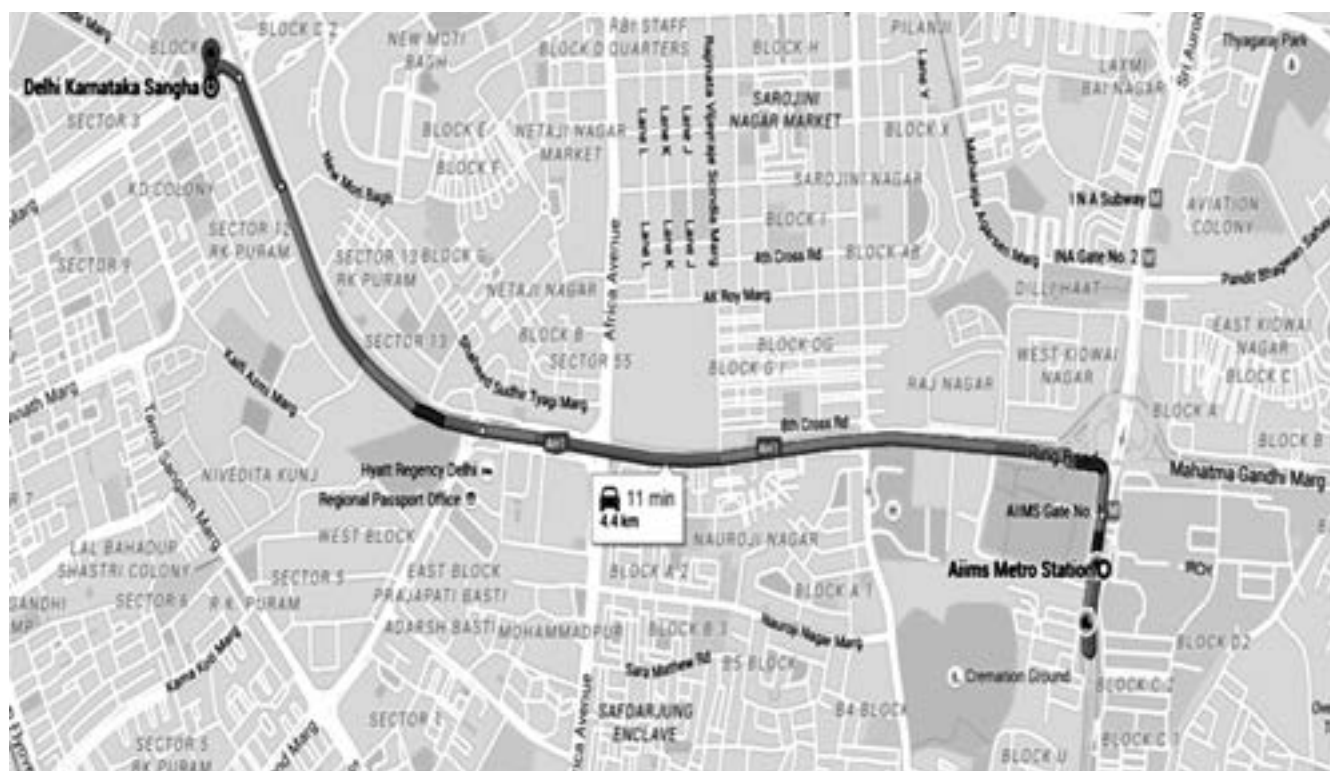


## Details of Directors seeking Appointment / Re-appointment/Revision - Variation in remuneration at the Annual General Meeting

(Pursuant to Regulation 36 of SEBI (LoDR) Regulations, 2015 & Secretarial Standard on General Meetings (SS-2)

Sr. No	Particulars	Mr. Madan Gopal Agarwal
1	DIN	2249947
2	Age	75 years
3	Qualification	Bachelor's Degree in Arts from the City College, the University of Calcutta
4	Experience	He has more than 3 decades of experience in retail industry.
5	Term and condition of appointment	As per the resolution
6	Details of remuneration to be paid	As per the resolution
7	Remuneration last drawn (during the FY 2017-18)	₹66.43 lac
8	Date of appointment at Board	21 <sup>st</sup> May, 2012
9	Shareholding in the Company as on 31 <sup>st</sup> March, 2018.	Nil
10	Relationship with other Directors/KMP/Managers	Father of Mr. Lalit Agarwal, Chairman & Managing Director of the Company
11	No. of Board Meeting attended during the year (2017-18)	5
12	Other Directorship	Conquest Business Services Pvt. Ltd.
13	Membership /chairmanship of committee of other Board	Nil

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



# Director's Report

Dear Members,

Your Company's Directors are pleased to present the 16<sup>th</sup> Annual Report of the Company, along with Audited Accounts, for the financial year ended 31<sup>st</sup> March, 2018.

## FINANCIAL RESULTS

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

(₹ in Lacs)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Revenue from operations other Income	122,651.30	1,00,586.63
Profit/(Loss) before Depreciation & Tax	13,539.79	8,537.55
Less: Depreciation	2,293.12	1,855.32
Less: Tax Expense	3476.26	2,291.80
Prior period items-(income)/expenses	-	-
<b>Net profit for the period</b>	<b>7,770.41</b>	<b>4,390.43</b>
Less: Utilised for Dividend Issue	272.27	21.76
<b>Balance carried forward to Balance Sheet</b>	<b>7,498.14</b>	<b>4,368.67</b>

## 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 means of finance for the objects of IPO and status of utilisation of proceeds raised through the IPO by the Company as on 31<sup>st</sup> March, 2018 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
<b>Total</b>	<b>9,140.70</b>

The utilisation of the afore-mentioned means of finance as on 31<sup>st</sup> March 2018 is as under:

(₹ in Lacs)

Particulars	Utilisation planned as per prospectus	Utilisation of IPO proceeds as on 30 <sup>th</sup> September, 2015	Adjustments (utilisation of surplus towards other objects)	Balance amount to be utilised as on 31 <sup>st</sup> March, 2018
To open new stores	6970.40	(7044.67)	74.27	-
Expansion of distribution centre	438.70	(371.03)	(67.67)	-
Working capital	1000.00	(1,000.00)	-	-
Share issue expenses	731.60	(725.00)	(6.60)	-
<b>Total</b>	<b>9140.70</b>	<b>(9140.70)</b>	<b>-</b>	<b>Nil</b>

## PERFORMANCE REVIEW

The Indian retail sector in India accounts for >10% of the country's GDP and employs ~8% of the workforce. Growing at a rate of 12% annually, the sector size is estimated at US\$672 billion. The country is the fifth-largest retail destination,

enjoying a share of 55% of the total global retail market during FY 2016-17.

The sector's growth is being fuelled by an increasing consumer base, rising incomes, growing aspirations, favourable demographics, easy credit availability and

technological advancements coupled with the advent of social media. The e-commerce industry is expected to be the number one sector boosting retail industry growth in India.

The country's retail development has been rapid not just in the metros, but also in the Tier-II and Tier-III cities. The purchasing power of Indian consumer is growing in categories like apparels, cosmetics, shoes, watches, beverages, food and even jewellery. The size, scope and complexity of the Indian retail industry have undergone substantial change over the past two decades, despite retailers largely operating in spaces <500 square feet in size. Indian retail is predominantly unorganised and fragmented with thousands of local brands controlled by local distributors. This structure makes it easier to let vendors list on a platform, rather than build inventory from the ground up.

Resonating the trend, the Net Sales of the Company increased by 22 % to ₹122097.32 Lac in financial year 2017-18 from ₹100062.83 Lac in financial year 2016-17. The Company has posted Operating Profits (EBITDA) of ₹13692.68 Lac in financial year 2017-18. The Company posted Profit after Tax (PAT) of ₹7770.41 Lac in the current financial year as against a PAT of ₹4390.43 Lac in the previous financial year; an increase of 77%.

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 endeavor to establish its growth pattern in the Retail Industry with a chain of stores under the brand "V-Mart" in the north and eastern parts of India.

During the year, the Company opened 31 (Thirty One) new stores under the brand V-Mart which were spread over an area of 2.4 Lac sq. ft. The Company closed 1 (one) store during the year.

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

## AWARDS & ACHIEVEMENTS

During the year under review your Company received the following awards and recognitions:

***"V-Mart was recognised by Bloomberg as the "World's best performing department store chain this year" in April 2018."***

***"V-Mart was recognised by progressive Grocer as the "Value retailer of choice" in 2018"***

***"Chairman & Managing director of the Company, Mr. Lalit Agarwal, conferred as the 'Retail Leader of the Year 2018' by Franchise India"***

## OPERATING RESULTS AND BUSINESS

Your Company completes its sixteenth year in the field of fashion retailing. The existing business model of the Company with a focus on the consumption story based on the growing aspiration for fashion in the Tier-II and Tier-III cities continues to provide better outcome/results. And ventured into Tier-IV towns for the first time.

## DIVIDENDS

The Board in its meeting held on 24<sup>th</sup> May, 2018, recommended a final dividend of ₹2/- per share (@ 20 %) excluding the dividend distribution tax, for the financial year ended 31<sup>st</sup> March, 2018 on equity shares of the Company. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting.

The proposed dividend is in line with the policy of the Company has been provided in the report of Corporate governance forming part of this Annual Report.

## RESERVES

The Company during the year transferred ₹7,737.44 Lac to the general reserves. Post transfer, the general reserves stood at ₹23550.50 Lac for financial year ended on 31<sup>st</sup> March 2018

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis for the period under review as required under Schedule V read with Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been dealt with extensively in a separate section forming part of 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 2018-19.

## EXTRACT OF ANNUAL RETURN

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

## CORPORATE GOVERNANCE

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

## NUMBER OF MEETINGS OF THE BOARD

The Board met four times (4) during the financial year 2017-18, the details of which are given in Corporate Governance report that forms part of this report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 & SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

## BOARD EVALUATION

The Board has carried out an annual evaluation of its own performance, Board Committees and the Directors individually pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

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

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

During year under review Mr. Deepak Sharma has resigned from the position of CFO of the Company w.e.f. 5<sup>th</sup> May, 2017 and in his place Mr. Anand Agarwal has been appointed as the new CFO of the Company w.e.f. 5<sup>th</sup> June, 2017. The

Company has also appreciated the efforts made by Mr. Deepak Sharma in delivering valuable contribution towards the growth of the Company.

## DECLARATION BY INDEPENDENT DIRECTORS

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

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

## POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

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

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

The appointment of Directors and remuneration paid during the financial year 2017-18 was as per the provisions of the Companies Act, 2013 and as per the terms laid down in policy of Nomination & Remuneration policy of the Company.

## TRAINING OF INDEPENDENT DIRECTORS

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

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

## RETIREMENT BY ROTATION

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

## COMMITTEES OF THE BOARD

At present, there are four Board committees namely: Audit Committee, Nomination and Remuneration Committee,

Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

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

## DISCLOSURE REQUIREMENTS

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

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

- Details of its business
- Composition of various Committees

## PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

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

## SHARE CAPITAL

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

The Company has implemented an Employee Stock Option Scheme, which was approved by the Board of Directors and the shareholders vide resolution dated 2<sup>nd</sup> July 2012 and 10<sup>th</sup> July 2012 respectively ('the V-Mart ESOP Scheme 2012'), consequent to which 300,000 equity shares of ₹10 each will be granted upon exercise of as stock options (ESOPs) to eligible employees. Subsequently the share holders in its meeting held on 18<sup>th</sup> September 2017 has approved the amendment in the said employee stock option scheme by increasing total number of stock option from 3 lac to 6 lac options. The exercise price of these options will be determined by the Nomination & Remuneration Committee and the options will vest over a period of 12 months to 36 months of continued employment from the grant date. The grant details under the scheme during the year are as follows:

Grants	Vesting	Time line
As on 31 <sup>st</sup> March, 2018 – 2 grants have been made comprising total 15695 options	30% of the Total Grant	After 12 months from the date of grant
	30% of the Total Grant	After 24 months from the date of grant
	40% of the Total Grant	After 36 months from the date of grant

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

Sr. No.	Date of Allotment	No. of shares allotted
1	03.05.2017	29195

Pursuant to the above allotment of shares, the paid up capital of the Company stands increased to ₹180,973,550/- as on 31<sup>st</sup> March, 2018.

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

Particulars	Details
Date of Shareholders Approval	10 <sup>th</sup> July, 2012 & 18 <sup>th</sup> September, 2017
Maximum Terms of options granted	Options to be exercised within 8 years of vesting
Sources of Shares	Primary Issuance
Variation of terms of options	Nil
Number of options outstanding at the beginning of the year	1,21,572
Number of options granted during the year	15,695
Number of options forfeited / lapsed during the year	10,853



Particulars	Details
Number of options vested during the year	28,556
Number of options exercised during the year	29,195
Number of shares arising as a result of exercise of options	29,195
Money realised by exercise of options (INR)	94,76,589
Number of options outstanding at the end of the year	97,219
Number of options exercisable at the end of the year	28,556
Pricing Formula	The Nomination & Remuneration Committee has been authorised to determine the exercise price of ESOPs.

Person-wise details of options granted during the Financial Year 2017-18:

Particulars	Details
i) Senior managerial personnel/key managerial personnel	Mr. Anand Agarwal Mr. Venugopal
No of options granted and its exercise price	Mr. Anand Agarwal: 11735 Mr. Venugopal: 3960
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	
Lock-in	Nil
Impact of the difference on the profits of the Company and on the EPS	Impact on profit: ₹118.67 Lac Impact on EPS: ₹0.15
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)	₹34.43 Lacs (Market Value - exercise price as on date of grant of 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	The fair market value has been calculated on the basis of the 'Black Scholes model'.

Particulars	ESOPs Grant I	ESOPs Grant II	ESOPs Grant III	ESOPs Grant IV	ESOPs Grant V	ESOPs Grant VI
Price per option (In ₹)	150	450	573	470	900	1260
Risk free return (In%)	8.42	8.32	8.16	7.93	7.80	7.64
Expected Life (In years)	4	4	4	4	4	4
Expected Volatility	25%	41%	38.74%	30.13%	42.48%	50.76%
Dividend Yield	0.27%	0.20%	0.20%	0.24%	0.18%	0.10%
Closing market price of share on date of option grant	210 (IPO)	539.30	615.40 (NSE) (BSE) 614.00	511.30 (NSE) (BSE) 510.00	1214.85 (NSE) (BSE) 1220.45	1413.80 (NSE) (BSE) 1419.8

## EMPLOYEE STOCK OPTION DETAILS

Grant Date	Exercise price	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
20 <sup>th</sup> July, 2012	150	1,53,252	1,53,252	-	1,23,264	29,988	-
5 <sup>th</sup> January, 2015	450	22,350	22,350	-	11,220	3,650	7,480
28 <sup>th</sup> December, 2015	573	13,645	4,094	5,458	4,094	-	9,552
30 <sup>th</sup> January, 2017	470	76,225	20,503	55,722	-	11,733	64,492
12 <sup>th</sup> July, 2017	900	6,395	-	6,395	-	-	6,395
09 <sup>th</sup> November, 2017	1260	9,300	-	9,300	--	-	9,300
<b>Total</b>		<b>2,81,167</b>	<b>2,00,199</b>	<b>76,875</b>	<b>1,38,578</b>	<b>45,371</b>	<b>97,219</b>

## MOVEMENT OF STOCK OPTIONS DURING THE YEAR:

Total for all grants	No. of options	Range of exercise prices (K)	Weighted average exercise price (K)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	1,21,572	150-573	442	NIL
Granted during the year	15,695	900-1260	1,113.32	4
Forfeited/ Cancelled during the year	10,853	470	470	4
Expired during the year	NIL	NIL	NIL	NIL
Exercised during the year	29,195	150-573	324.60	NIL
Outstanding at the end of the year	97,219	450-1260	635.08	NIL
Exercisable at the end of the year	28,556	450-573	479.53	NIL
New Options added to the pool of existing shares	3,00,000	-	-	NIL

## RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There were no materially significant related party transactions made by the Company with the Promoters, Key Managerial Personnel or other designated persons which fall under scope of Section 188 (1) of the Companies Act, 2013 and have no potential conflict with interest of the Company at large. The Company has formulated a policy on Related Party Transaction which is available on the website of the Company at the link <http://www.vmart.co.in/corporate.html>. The details of related party transactions entered during the year are provided in the accompanying financial statements.

## DEPOSITS

During the financial year 2017-18, your Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable laws and as such no amount of principal or interest was outstanding as on date of the Balance Sheet.

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

Loan, guarantees and investments covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF The Company AFTER 31<sup>ST</sup> MARCH, 2018 TILL THE DATE OF BOARD'S REPORT

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

## SUBSIDIARY COMPANIES, JOINT VENTURES & ASSOCIATE COMPANIES

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

## REGISTERED OFFICE

Registered Office of the Company is situated at 610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, New Delhi - 110092 w.e.f. May 7, 2015.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has constituted a Corporate Social Responsibility Committee of the Board comprising of four members, namely Mr. Lalit Agarwal (Chairman), Mr. Madan Gopal Agarwal, Mr. Aakash Moondhra, Ms. Sonal Mattoo (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, your Company was required to spend ₹107.83 Lacs on CSR activities during the year.

During the year under review, your company has spent ₹117.55 Lacs towards corporate social responsibility.

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

## 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 programmes, 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

(Amount in ₹)

Particulars	Foreign Exchange Earning	Foreign Exchange outgo
Purchase of Capital Goods	NIL	NIL
Total	NIL	NIL

## 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 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 victimisation of the person availing this mechanism. This Policy has been appropriately communicated within the organisation and is effectively operational. The policy provides mechanism whereby whistle blower may send protected disclosures directly to the Chairman of Audit Committee or Vigilance Officer. The Policy is available on the website of the Company i.e. [www.vmart.co.in](http://www.vmart.co.in).

## PREVENTION OF INSIDER TRADING

The 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 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 ₹1.02 Cr or more, or employed for the part of the year and in receipt of ₹8.5 Lac or more a month under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## AUDITORS

At the Annual General Meeting held on 18<sup>th</sup> September, 2017, M/s Walker Chandiok & Co. LLP, Chartered Accountants (FRN-00176N/N500013), were appointed as statutory auditors of the Company to hold office till the conclusion of the ensuing Annual General Meeting. M/s Walker Chandiok & Co. LLP, Chartered Accountants has completed their 10 years as statutory auditors of the Company, it is therefore necessary to rotate the statutory auditors by appointing new statutory auditors in place of existing auditors as per provisions of Companies Act, 2013. In terms of first proviso to Section 139 of the Companies Act, 2013 the appointment of the auditors shall be placed for appointment at sixteenth (16<sup>th</sup>) (ensuing) AGM, accordingly the appointment of M/s S.R. Batliboi & Co. LLP (ICAI Firm Registration Number: 301003E/E300005), Chartered Accountants, as Statutory Auditors of the Company, shall be placed for appointment by the shareholders to hold the office from the conclusion of ensuing Annual General Meeting until the conclusion of 21<sup>st</sup> Annual General Meeting and to fix their remuneration. In this regard, the Company has received a certificate from the auditors to the effect that if they are appointed, it would be in accordance with the provisions of Sections 141 of the Company Act, 2013.

## AUDITORS REPORT

There was no observation or qualification in the Auditors Report for the financial year ended 31<sup>st</sup> March 2018. The Notes on Financial Statements referred to in the Auditors' report are self-explanatory and therefore do not require any further comments.

## SECRETARIAL AUDITOR & REPORT

M/s. VKC & Associates, Company Secretaries, a partnership firm was appointed as Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2017-18, Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit report in form MR- 3 is enclosed herewith as **Annexure-E** to the Board's Report.

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

## INTERNAL FINANCIAL CONTROL

The Board has adopted adequate policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, 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.

The Company has successfully laid down the framework and ensured its effectiveness. V-Mart has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. V-Mart has also well-defined processes for formulating and reviewing long term and business plans. V-Mart will continue its efforts to align its processes and controls with global best practices.

## SIGNIFICANT AND MATERIAL ORDERS

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

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

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

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

- (a) Number of complaints of sexual harassment received during the year: 6
- (b) Number of complaints disposed off during the year: 6
- (c) Number of cases pending for more than ninety days: NIL
- (d) Number of workshops on awareness program against sexual harassment carried out: 1
- (e) Nature of action taken by the employer or district officer: Appropriate Action taken by the Company.

## INCIDENT OF FRAUD

No significant fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

## INVESTORS EDUCATION & PROTECTION FUND (IEPF)

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

## BUSINESS RESPONSIBILITY REPORT

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

## DIVIDEND DISTRIBUTION POLICY

As per Reg 43A of the SEBI (Listing obligations and Disclosures Requirements) Regulations 2015 ("the listing regulations"), the top 500 listed companies shall formulate a dividend distribution policy. Accordingly, the policy was adopted to set out the parameters that will be taken into consideration by the Board of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The policy is enclosed as Annexure to the Board's Report and is also available on the Company's website.

## SECRETARIAL STANDARDS

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

## DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.
- e) The Directors 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 Director wish to express their gratitude and appreciation to all customers, employees, business associates, suppliers, bankers, financials, institutes, state and central government for their continue support and contribution in the growth of the Company.

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

**Lalit Agarwal**

Chairman & Managing Director  
DIN: 00900900

Place: Gurugram  
Date: 24<sup>th</sup> May, 2018



## Annexure - A to Board Report

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

as on financial year ended on 31<sup>st</sup> March, 2018

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 and contact details	610-611, GURU RAM DASS NAGAR, MAIN MARKET, OPP. SBI BANK, LAXMI NAGAR, NEW DELHI - 110092 TEL. NO.- 011-45580999, FAX NO. - 0124-4640046,
vi	Contact details	E-mail - info@vmart.co.in
vii	Whether listed company	LISTED
	Name , Address & contact details of the Registrar & Transfer Agent, if any.	KARVY COMPUTERSHARE PRIVATE LIMITED Kary Selenium, Tower - B, Plot No. 31&32, Financial District, Nanakramguda, Gachibowli, Telangana 500032 TEL NO.- +91-40-67162222, 33211000, Toll Free - 18003454001, E-mail - support@karvy.com, website - www.karvy.com

#### II PRINCIPAL BUSINESS ACTIVITIES OF The Company - RETAIL TRADE

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

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

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

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the FY 17-18				No. of Shares held at the end of the FY 17-18				%change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No. of Shares	in %
<b>A. Promoters</b>										
<b>(I) Indian</b>										
a) Individual/HUF	9,844,063	-	9,844,063	54.48%	2,304,265	-	2,304,265	12.73%	-7,539,798	-76.59%
b) Central Govt or State Govt.	0	0	0	0	0	0	-	0.00%	0	0
c) Bodies Corporates	0	0	0	0	7,489,798	0	7,489,798	41.39%	7,489,798	100%
d) Bank/FI	0	0	0	0	0	0	-	0.00%	0	0
e) Any other	0	0	0	0	0	0	-	0.00%	0	0

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the FY 17-18				No. of Shares held at the end of the FY 17-18				%change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No. of Shares	in %
SUB TOTAL: (A) (1)	9,844,063	-	9,844,063	54.48%	9,794,063	-	9,794,063	54.12%	(50,000)	-0.51%
(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)	98,44,063	-	98,44,063	54.48%	97,94,063	0	97,94,063	54.12%	(50,000)	-0.51%
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	572,579	0	572,579	3.17%	497,428	0	497,428	2.75%	(75,151)	-13.13%
b) Banks/FI	2,228	0	2,228	0.01%	6,919	0	6,919	0.04%	4,691	210.55%
c) Central govt	-	0	-	0	-	0	-	0.00%	-	0
d) State Govt.	-	0	-	0	-	0	-	0.00%	-	0
e) Venture Capital Fund	-	0	-	0	-	0	-	0.00%	-	0
f) Insurance Companies	-	0	-	0	-	0	-	0.00%	-	0
g) FI's	5,043,616	0	5,043,616	27.91%	5,659,560	0	5,659,560	31.27%	615,944	12.21%
h) Foreign Venture Capital Funds	-	0	-	0	-	0	-	0.00%	-	0
i) Others (specify)	-	0	-	0	-	0	-	0.00%	-	0
SUB TOTAL (B)(1):	5618423	0	5618423	31.10%	6163907	0	6163907	34%	545484	9.71%
(2) Non Institutions										
a) Bodies corporates	407183	0	407183	2.25%	401,119	0	401,119	2.22%	(6,064)	-1.49%
b) Individuals			-				-			
i) Individual shareholders holding nominal share capital upto ₹2 lakhs	662,003	68	662,071	3.66%	723,953	118	724,071	4.00%	62,000	9.36%
ii) Individuals shareholders holding nominal share capital in excess of ₹2 lakhs	1,481,699	0	1,481,699	8.20%	799,011	0	799,011	4.42%	(682,688)	-46.07%
c) Others (specify)							-			
Non- Resident Indians	35,995	0	35,995	0.20%	37,702	0	37,702	0.21%	1,707	4.74%
Clearing Members	17,126	0	17,126	0.09%	71,940	0	71,940	0.40%	54,814	320.06%
NBFC Registered with RBI	1,600	0	1,600	0.01%	1,719	0	1,719	0.01%	119	7.44%
AIF	-	0	-	-	86,590	0	86,590	0.48%	86,590	
NRI Non Repatriable	-	0	-	-	16,883	0	16,883	0.09%	16,883	
Trusts	-	0	-	-	350	0	350	0.00%	350	
SUB TOTAL (B)(2)	2605606	68	2605674	14.42%	2,139,267	118	2,139,385	11.82%	-466289	-17.90%
Total Public Shareholding (B)= (B)(1)+(B)(2)	8,224,029	68	8,224,097	45.52%	8,303,174	118	8,303,292	45.88%	79,195	0.96%
4										
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	18,068,092	68	18,068,160	100%	18,097,237	118	18,097,355	100%	29,195	0.16%

\*Please note that Conquest Business Services Private Limited ("Conquest") being a promoter Company has acquired shares of V-Mart Retail Limited from the promoters/promoters group of the Company on 27-03-2018 in accordance with the provisions of Reg 10(1)(a)(v) of SEBI (SAST) Regulations, 2011 via Block deal Window Mechanism in terms of SEBI Circular No. CIR/MRD/DP/118/2017 dated October 26, 2017. The aforementioned equity shares acquired by Conquest were held in the brokers settlement account as on 31<sup>st</sup> March 2018 on behalf of Conquest and consequently settled and credited into its demat account on April 3, 2018, due to which the holding of Conquest is reflecting under Public Holding (holding in clearing member account on behalf of beneficiary Conquest as on 31<sup>st</sup> March 2018). Therefore you are requested to consider the promoters shareholding as 54.12% (i.e. including Conquest Holding) and accordingly the Public Holding shall be considered as 45.88%.

## ii) Share Holding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the FY 17-18			Shareholding at the end of the FY 17-18			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	CONQUEST BUSINESS SERVICES PVT. LTD.	-	0.00%	-	74,89,798	41.39%	-	100%
2	LALIT AGARWAL	22,34,113	12.36%	-	-	0.00%	-	-100%
3	SANGEETA LALJI AGARWAL	14,69,878	8.14%	-	-	0.00%	-	-100%
4	UMA DEVI AGARWAL	13,55,460	7.50%	-	-	0.00%	-	-100%
5	LALIT M AGARWAL HUF	12,77,275	7.07%	-	12,77,275	7.06%	-	0%
6	MADAN GOPAL AGARWAL HUF	10,41,675	5.77%	-	-	0.00%	-	-100%
7	SANGEETA AGRAWAL	7,02,297	3.89%	-	-	0.00%	-	-100%
8	SMITI AGARWAL	4,48,505	2.48%	-	4,48,505	2.48%	-	0%
9	HEMANT AGARWAL	2,04,500	1.13%	-	2,04,500	1.13%	-	0%
10	HEMANT AGARWAL (HUF)	4,23,985	2.35%	-	3,73,985	2.07%	-	-12%
11	MADAN GOPAL AGARWAL	3,80,361	2.11%	-	-	0.00%	-	-100%
12	MADAN GOPAL KANDOI	3,06,014	1.69%	-	-	0.00%	-	-100%
	<b>Total</b>	<b>98,44,063</b>	<b>54.48%</b>	<b>-</b>	<b>97,94,063</b>	<b>54.12%</b>	<b>-</b>	

\*Please note that Conquest Business Services Private Limited ("Conquest") being a promoter Company has acquired shares of V-Mart Retail Limited from the promoters/promoters group of the Company on 27-03-2018 in accordance with the provisions of Reg 10(1)(a)(v) of SEBI (SAST) Regulations, 2011 via Block deal Window Mechanism in terms of SEBI Circular No. CIR/MRD/DP/118/2017 dated October 26, 2017. The aforementioned equity shares acquired by Conquest were held in the brokers settlement account as on 31<sup>st</sup> March 2018 on behalf of Conquest and consequently settled and credited into its demat account on April 3, 2018, due to which the holding of Conquest is reflecting under Public Holding (holding in clearing member account on behalf of beneficiary Conquest as on 31<sup>st</sup> March 2018). Therefore you are requested to consider the promoters shareholding as 54.12% (i.e. including Conquest Holding) and accordingly the Public Holding shall be considered as 45.88%.

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

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	HEMANT AGARWAL (HUF)							
	At the beginning of the year (01.04.2017)	4,23,985	2.35%					
	Change*	(48,585)		30/03/2018	Decrease	Sold	375,400	2.07%
				31/03/2018				
	At the end of the year						375,400	2.07%

\* Mr. Hemant Agarwal has transferred 50,000 shares into his another folio, out of which 48,585 shares has been sold and the remaining 1415 shares were reflecting in public shareholding as on 31<sup>st</sup> March, 2018.

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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 CONQUEST BUSINESS SERVICES PVT. LTD.

	At the beginning of the year (01.04.2017)	0	0.00%					
	Change	74,89,798		30/03/2018	Increase	Transfer	74,89,798	41.39%
				31/03/2018				
	At the end of the year						74,89,798	41.39%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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 LALIT AGARWAL

	At the beginning of the year (01.04.2017)	22,34,113	12.36%					
	Change	(22,34,113)		30/03/2018	Decrease	Transfer	0	0.00%
				31/03/2018				
	At the end of the year						0	0.00%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (mm/dd/yy)	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company				No. of shares	% of total shares of the Company

## 4 SANGEETA LALJI AGARWAL

	At the beginning of the year (01.04.2017)	14,69,878	8.14%					
	Change	(14,69,878)		30/03/2018	Decrease	Transfer	0	0.00%
				31/03/2018				
	At the end of the year						0	0.00%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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 UMA DEVI AGARWAL

	At the beginning of the year (01.04.2017)	13,55,460	7.50%					
	Change	(13,55,460)		30/03/2018	Decrease	Transfer	0	0.00%
				31/03/2018				
	At the end of the year						0	0.00%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	MADAN GOPAL AGARWAL HUF							
	At the beginning of the year (01.04.2017)	10,41,675	5.77%					
	Change	(10,41,675)		30/03/2018	Decrease	Transfer	0	0.00%
				31/03/2018				
	At the end of the year						0	0.00%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	SANGEETA AGRAWAL							
	At the beginning of the year (01.04.2017)	7,02,297	3.89%					
	Change	(7,02,297)		30/03/2018	Decrease	Transfer	0	0.00%
				31/03/2018				
	At the end of the year						0	0.00%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	MADAN GOPAL AGARWAL							
	At the beginning of the year (01.04.2017)	3,80,361	2.11%					
	Change	(3,80,361)		30/03/2018	Decrease	Transfer	0	0.00%
				31/03/2018				
	At the end of the year						0	0.00%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	MADAN GOPAL KANDOI							
	At the beginning of the year (01.04.2017)	3,06,014	1.69%					
	Change	(3,06,014)		30/03/2018	Decrease	Transfer	0	0.00%
				31/03/2018				
	At the end of the year						0	0.00%

\* Please note that Conquest Business Services Private Limited ("Conquest") being a promoter Company has acquired shares of V-Mart Retail Limited from the promoters/promoters group of the Company on 27-03-2018 in accordance with the provisions of Reg 10(1)(a)(v) of SEBI (SAST) Regulations, 2011 via Block deal Window Mechanism in terms of SEBI Circular No. CIR/MRD/DP/118/2017 dated October 26, 2017.



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

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	JWALAMUKHI INVESTMENT HOLDINGS							
	At the beginning of the year	17,88,102	9.90%					
	Change: NIL							
	At the end of the year (or on the date of separation, if separated during the year)						17,88,102	9.88%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	FIL INVESTMENTS (MAURITIUS) LTD							
	At the beginning of the year	5,33,142	2.95%					
	Change	(74,277)		12/01/2018	Decrease	Sold	4,58,865	2.54%
	At the end of the year (or on the date of separation, if separated during the year)						4,58,865	2.54%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	WASATCH EMERGING INDIA FUND							
	At the beginning of the year	1,93,022	1.07%					
	Change	7,710		07/04/2017	Increase	Purchase	2,00,732	1.11%
		6,946		28/04/2017	Increase	Purchase	2,07,678	1.15%
		6,293		05/05/2017	Increase	Purchase	2,13,971	1.18%
		11,454		12/05/2017	Increase	Purchase	2,25,425	1.25%
		10,800		02/06/2017	Increase	Purchase	2,36,225	1.31%
		13,675		16/06/2017	Increase	Purchase	2,49,900	1.38%
		8,075		28/07/2017	Increase	Purchase	2,57,975	1.43%
		46,522		25/08/2017	Increase	Purchase	3,04,497	1.68%
		57,123		10/11/2017	Increase	Purchase	3,61,620	2.00%
		29,331		01/12/2017	Increase	Purchase	3,90,951	2.16%
		3,976		08/12/2017	Increase	Purchase	3,94,927	2.18%
		8,948		05/01/2018	Increase	Purchase	4,03,875	2.23%
		33,701		12/01/2018	Increase	Purchase	4,37,576	2.42%
		4,270		19/01/2018	Increase	Purchase	4,41,846	2.44%
	At the end of the year (or on the date of separation, if separated during the year)						4,41,846	2.44%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	WASATCH MICRO CAP FUND							
	At the beginning of the year	3,17,634	1.76%					
	Change:NIL							
	At the end of the year (or on the date of separation, if separated during the year)						3,17,634	1.76%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	MUKUL AGRAWAL							
	At the beginning of the year	2,50,000	1.38%					
	Change NIL							
	At the end of the year (or on the date of separation, if separated during the year)						2,50,000	1.38%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	ALCHEMY INDIA LONG TERM FUND LIMITED							
	At the beginning of the year	2,28,799	1.27%					
	Change	4,800		07/04/2017	Increase	Purchase	2,33,599	1.29%
	At the end of the year (or on the date of separation, if separated during the year)						2,33,599	1.29%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	IDFC STERLING EQUITY FUND							
	At the beginning of the year	3,26,339	1.81%					
	Change	(26,773)		07/04/2017	Decrease	Sold	2,99,566	1.66%
		(24,284)		14/04/2017	Decrease	Sold	2,75,282	1.52%
		(44,218)		25/08/2017	Decrease	Sold	2,31,064	1.28%
		(458)		01/09/2017	Decrease	Sold	2,30,606	1.27%
		(7,292)		05/01/2018	Decrease	Sold	2,23,314	1.23%
		(3,314)		12/01/2018	Decrease	Sold	2,20,000	1.22%
	At the end of the year (or on the date of separation, if separated during the year)						2,20,000	1.22%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	GMO EMERGING DOMESTIC OPPORTUNITIES FUND							
	At the beginning of the year	0	-					
	Change	2,86,335		10/11/2017	Increase	Purchase	2,86,335	1.58%
		(79,233)		23/03/2018	Decrease	Sold	2,07,102	1.14%
	At the end of the year (or on the date of separation, if separated during the year)						2,07,102	1.14%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	UPS GROUP TRUST							
	At the beginning of the year	1,57,570	0.87%					
	Change	7,406		07/04/2017	Increase	Purchase	1,64,976	0.91%
		41,268		28/04/2017	Increase	Purchase	2,06,244	1.14%
	At the end of the year (or on the date of separation, if separated during the year)						2,06,244	1.14%

Sr. No.	Name of the Shareholder	Share holding at the beginning of the Year		Date (dd/mm/yy)	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
10	FIDELITY SECURITIES FUND - FIDELITY BLUE CHIP GROWTH FUND							
	At the beginning of the year	0	-					
	Change	43,980		15/09/2017	Increase	Purchase	43,980	0.24%
		53,973		22/09/2017	Increase	Purchase	97,953	0.54%
		1,03,582		20/10/2017	Increase	Purchase	2,01,535	1.11%
	At the end of the year (or on the date of separation, if separated during the year)						2,01,535	1.11%

v) Shareholding of Directors & KMP

Sr. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year		Date (dd/mm/yy)	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
<b>1</b>	<b>Lalit Agarwal</b>							
	At the beginning of the year	22,34,113	12.36%					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	(22,34,113)		30/03/18	Decrease	Transfer	0	0.00%
	At the end of the year						0	0.00%

\* Please note that Conquest Business Services Private Limited ("Conquest") being a promoter Company has acquired shares of V-Mart Retail Limited from the promoters/promoters group of the Company on 27-03-2018 in accordance with the provisions of Reg 10(1)(a)(v) of SEBI (SAST) Regulations, 2011 via Block deal Window Mechanism in terms of SEBI Circular No. CIR/MRD/DP/118/2017 dated October 26, 2017.

Sr. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year		Date (dd/mm/yy)	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
<b>2</b>	<b>MADAN GOPAL AGARWAL</b>							
	At the beginning of the year	6,86,375	3.80%					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	(6,86,375)		30/03/18	Decrease	Transfer	0	0.00%
	At the end of the year						0	0.00%

\* Please note that Conquest Business Services Private Limited ("Conquest") being a promoter Company has acquired shares of V-Mart Retail Limited from the promoters/promoters group of the Company on 27-03-2018 in accordance with the provisions of Reg 10(1)(a)(v) of SEBI (SAST) Regulations, 2011 via Block deal Window Mechanism in terms of SEBI Circular No. CIR/MRD/DP/118/2017 dated October 26, 2017.

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

Sr. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	MURLI RAMACHANDRAN							
	At the beginning of the year	NIL	NIL					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)-NIL							
	At the end of the year						NIL	NIL

Sr. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	SONAL MATTOO							
	At the beginning of the year	NIL	NIL					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)-NIL							
	At the end of the year						NIL	NIL

Sr. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	ANAND AGARWAL							
	At the beginning of the year	NIL	NIL					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)-NIL							
	At the end of the year						NIL	NIL



Sr. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year		Date (dd/mm/yy)	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	MEGHA TANDON							
	At the beginning of the year	NIL	NIL					
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)							
	At the end of the year						NIL	NIL

## V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>	3546.74	NA	NA	
i) Principal Amount	NA	NA	NA	NA
ii) Interest due but not paid	NA	NA	NA	NA
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>3546.74</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	22901717	NA	NA	
Reduction	232531.67	NA	NA	
<b>Net Change</b>	<b>-3515</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	32.24	NA	NA	
ii) Interest due but not paid	NA	NA	NA	NA
iii) Interest accrued but not due	NA	NA	NA	NA
<b>Total (i+ii+iii)</b>	<b>32.24</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>

## VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: (₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		
		LALIT AGARWAL (MD)	MADAN GOPAL AGARWAL (WTD)	Total Amount
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	85.39	28.46	113.85
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	34.57		34.57
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			-
2	Stock option			-
3	Sweat Equity			-
4	Commission as % of profit	115.06	37.97	153.03
5	Others, please specify			-
	<b>Total (A)</b>	<b>235.02</b>	<b>66.43</b>	<b>301.45</b>
	Ceiling as per the Act	(being 10% of the Net Profits of the Company calculated as per section 198 of the Companies Act, 2013)		

**B. Remuneration to other directors:**

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of the Directors		
		AAKASH MOONDHRA	MURLI RAMACHANDRAN	SONAL MATTOO
<b>1</b>	<b>Independent Directors</b>			
	(a) Fee for attending board committee meetings	2	2	2
	(b) Commission	29.54	24.32	23.84
	(c) Others, please specify			
	<b>Total</b>			
	<b>Total (1)</b>	31.54	26.32	25.84
<b>2</b>	<b>Other Non Executive Directors</b>	<b>N.A</b>		
	(a) Fee for attending board committee meetings			
	(b) Commission			
	(c ) Others, please specify.			
	<b>Total (2)</b>			
	<b>Total (B)=(1+2)</b>			
	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)		

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

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		ANAND AGARWAL*	MEGHA TANDON
<b>1</b>	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	78.57	4.56
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
<b>2</b>	<b>Stock Option</b>	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-
<b>4</b>	<b>Commission as % of profit</b>	-	-
<b>5</b>	<b>Others, please specify</b>	-	-
	<b>Total</b>	<b>78.57</b>	<b>4.56</b>

\*Mr. Anand Agarwal is appointed as CFO of the Company wef 5<sup>th</sup> June, 2017.

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

There were no penalties / punishment/ compounding of offences for the year ending 31<sup>st</sup> March, 2018

## Annexure - B to Board Report

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

#### 1. Preamble

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

#### 2. Aims & Objectives

- 2.1 The aims and objectives of this Nomination & Remuneration policy may be summarised as follows:
  - 2.1.1 The Nomination & Remuneration policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board and Executive level.
  - 2.1.2 The Nomination & Remuneration policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
  - 2.1.3 The Nomination & Remuneration policy will ensure that the interests of Board members & Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
  - 2.1.4 The Nomination & Remuneration policy will ensure that remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short & 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 organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 3.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore, the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures.
- 3.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- 3.6 Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- 3.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

#### 4. Nomination and Remuneration Committee

- 4.1 The Board of Directors has constituted the Nomination & Remuneration Committee by renaming the existing Remuneration Committee. The members of the Committee comprises of three independent directors.
- 4.2 The Committee is responsible for:

- 4.2.1 Formulating framework and/or policy for remuneration, terms of employment including service contracts, policy for and scope of pension arrangements, etc. for Executives and reviewing it on a periodic basis;
- 4.2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Director.
- 4.2.3 Identifying persons who are qualified to become directors and who may be appointed as Executives in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out their evaluation.
- 4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 4.3 The Committee shall:
- 4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;
- 4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions; are fulfilled;
- 4.3.3 obtain reliable, up-to-date information about remuneration in other companies;
- 4.3.4 ensure that no director or Executive is involved in any decisions as to their own remuneration.
- 4.4 Without prejudice to the generality of the terms of reference to the Nomination and Remuneration Committee set out above, the Committee shall:
- 4.4.1 Operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
- 4.4.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors and Director should possess the highest personal and professional ethics, integrity;
- 4.4.3 review the terms of executive Directors' service contracts from time to time; and
- 4.4.4 perform such other acts, things and take such other decisions as provided and authorised by the Board of Directors of the Company to the Committee in terms of the provisions of Companies Act, 2013 and other applicable laws.
5. Procedure for selection and appointment of the Board Members
- 5.1 Board membership criteria
- The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.
- In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements.
- In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.
- 5.2 Selection of Board Members/ extending invitation to a potential director to join the Board One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, 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 ₹50,000/- per meeting. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company may also be paid other remuneration or profits based commission, subject to requirements of applicable laws.

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

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

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

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

## 8. Role of Independent Directors

8.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval.

8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors and Employees and have a prime role in appointing and where necessary recommends removal of executive directors and Employees.

8.3 The Independent Directors shall submit its recommendations/ proposals/decisions to the Committee which the Committee shall consult and take to the Board of Directors.

## 9. Approval and publication

9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.



- 9.2 This policy shall be hosted on the Company's website.
- 9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of the provisions of the Companies Act, 2013.
- 10. Supplementary provisions
  - 10.1 This Policy shall formally be implemented from the date on which it is adopted pursuant to a resolution of the Board of Directors.
  - 10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
  - 10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

## Annexure - C to Board Report

### Annual Report on CSR activities

Pursuant to provisions of Section 135 of the Companies Act, 2013

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

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

#### 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	(₹ in lacs)
Average net profit of the Company for last three financial years	5,391.41
Prescribed CSR Expenditure (Two percent of the average net profit as computed above)	107.83
Details of CSR spent during the financial year:	
(a) Total amount to be spent for the financial year :	107.83
(b) Amount spent	117.55
(b) Amount unspent, if any :	NA

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

(₹ in lacs)

CSR project or activity identified	Sector in which the project is covered	Location of the Project or Programs	Amount outlay (budget) Project or Programs	Amount spent on the projects or program	Cumulative expenditure upto the reporting period	Amount spent direct/ implementing agency
Saksham	Physically Handicapped	Uttar Pradesh		17.76	17.76	Implementing Agency
Radha Education Foundation Pvt Ltd	Water facility in schools	Bihar & West Bengal		20.00	37.76	Implementing Agency
Giriraj Seva Sadan	Old age home	West Bengal		55.17	92.93	Implementing Agency
Sushila Kushwaha	Financials support to weaker economic segment	West Bengal		1.33	94.26	Directly
Sanjay Yadav	Flood impacted people	Bihar		1.55	95.81	Directly
Pinki Devi	Flood impacted people	Bihar		1.30	97.11	Directly
Dolly Agrawal	Cancer patient	Delhi		0.11	97.22	Directly
Shweta Arora	Street animal care	Delhi		0.20	97.41	Directly

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

(₹ in lacs)

CSR project or activity identified	Sector in which the project is covered	Location of the Project or Programs	Amount outlay (budget) Project or Programs	Amount spent on the projects or program	Cumulative expenditure upto the reporting period	Amount spent direct/ implementing agency
Jan Sharnam	NGO	Delhi, UP		7.79	105.20	Implementing Agency
Aura Education Trust	NGO	Gujarat		6.00	111.20	Implementing Agency
Earth Saviours Foundation	NGO	Haryana		0.25	111.45	Implementing Agency
Chatrapati Shivaji Samaaj Kalyan Avam Shiksha Prachar Samati	NGO	Maharashtra		0.31	111.76	Implementing Agency
Delhi Karnataka Sangha	NGO	Delhi		0.20	111.95	Implementing Agency
Administrative Expenses		Delhi		5.60	117.55	Directly
<b>Total</b>				117.55		

**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.

Place: Gurugram  
Date: 24<sup>th</sup> May, 2018

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

## Annexure - D to Board Report

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

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

- 1 & 2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

Sr. No.	Name of Director, KMP & Designation	% increase/decrease in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Lalit Agarwal Chairman & Managing Director	44%	264.58
2	Mr. Madan Gopal Agarwal Whole-time Director	54%	74.76
3	Mr. Aakash Moondhra Independent Director	108%	35.49
4	Mr. Murli Ramachandran Independent Director	105%	29.69
5	Ms. Sonal Mattoo Independent Director	104%	29.07
6	Mr. Anand Agarwal* Chief Financial Officer	N.A	N.A
7	Ms. Megha Tandon Company Secretary	39%	N.A

\*Appointed w.e.f. 5<sup>th</sup> June, 2017

3. The median remuneration of employees of the Company during the financial year 2016-17 was ₹88840/-. Whereas in financial year 2017-18 it is ₹88860/-. Therefore, in the financial year 2017-18, there is an increase of 2.56% in the median remuneration of employees.
4. Number of Permanent Employees on the rolls of Company as on 31<sup>st</sup> March, 2018: 5868
5. The Average percentile increase/decrease in the salaries of the employees (other than Managerial Personnel) for financial year 2017-18 is 9% whereas the average percentile increase/decrease in the managerial remuneration for the financial year 2017-18 is 13%. The Company's variable compensation philosophy for its managerial personnel is to ensure its competitiveness in the markets in which it operates for attracting & retaining the best talent.
6. 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 FY 17-18 and were in receipt of minimum aggregate Remuneration of ₹1.02 cr.: NIL
2. The details of Employees who were employed for the part of FY 17-18 and for that part they received minimum aggregate remuneration of ₹8.5 lacs per month.: NIL
3. The details of Employees who were employed during financial year 2017-18 (whether for full year or part thereof) and were drawing remuneration [i.e. either ₹1.02 Crs or 8.5 lacs 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 2017-18

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - 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, 2015;
- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not Applicable**
- (e) The Securities and exchange board of India (Share Based Employee Benefits) Regulations, 2014.
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008; - **Not Applicable**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; - **Not Applicable**
- (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998; - **Not Applicable**

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



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

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

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

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out with requisite majority of the members of the Board or committees as the case may be. Further there

is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board or Committee(s) thereof.

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

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

- On 3<sup>rd</sup> May 2017, the Company has issued 29,195 equity shares to its employees pursuant to V-Mart ESOP Scheme, 2012. Further, the Company has granted 6,395 shares on 12<sup>th</sup> July, 2017 and 9300 shares on 9<sup>th</sup> November, 2017 to its employees. Also, the Company has amended "V-Mart Employee Stock Option Plan-2012" by passing Special Resolution in the AGM held on 18<sup>th</sup> September, 2017 by increasing the total number of Stock Options from Three Lakhs Options to Six Lakhs Options at such price and on such terms and conditions as may be fixed or determined by the Board and/or Nomination & Remuneration Committee.
- During the year under review, some of the Promoters along with persons acting in concern (Collectively referred as PG Sellers) sold their shareholding to Conquest Business Services Private Limited, a new company, in which they hold share in the same proration as they hold shares in the Company without giving public offer as based on legal opinion identified PG Sellers have availed the exemption under regulation 10(1)(a)(v) of the SEBI (SAST) Regulations, 2011.

**For VKC & Associates**  
(Company Secretaries)

**CS Mohit K Dixit**  
Partner  
ACS No.49021  
C P No.17827

Date: May 24, 2018  
Place: New Delhi

Notes: 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**  
CIN L51909DL2002PLC163727  
610-611, Guru Ram Dass Nagar, Main Market,  
Opp. Sbi Bank, Laxmi Nagar, New Delhi (East Delhi) -110092, India

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

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

**For VKC & Associates**  
(Company Secretaries)

**CS Mohit K Dixit**  
Partner  
ACS No.49021  
C P No.17827

Date: May 24, 2018  
Place: New Delhi

# Business Responsibility Report

## ABOUT THIS REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the "Business Responsibility Report" (BRR) of the Company for the financial year 2017-18 forming part of this Annual Report is as follows:

## SECTION A: GENERAL INFORMATION ABOUT The Company

1.	Corporate Identity Number of the Company	L51909DL2002PLC163727
2.	Name of the Company	V-Mart Retail Limited
3.	Registered address	610-611 Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar New Delhi-110092
4.	Website	www.vmart.co.in
5.	E-mail id	info@vmartretail.com
6.	Financial Year reported	2017-18
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	478
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Retail
9.	Total number of locations where business activity is undertaken by the Company	A) Number of International Locations – Nil B) Number of National Locations-The Company has 171 V-Mart stores across 145 cities
10.	Markets served by the Company	National

## SECTION B: FINANCIAL DETAILS OF The Company

1.	Paid up Capital (INR):	180,973,550/-
2.	Total Turnover (INR lacs):	1,22,651.30
3.	Total profit after taxes (INR lacs):	7,770.41
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):2	117.55
5.	List of activities in which expenditure in 4 above has been incurred:-	Refer the Annexure C to the Directors' Report

## SECTION C: OTHER DETAILS

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

## SECTION D: BR INFORMATION

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

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

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

(b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	00900900
2	Name	Lalit Agarwal
3	Designation	Chairman & Managing Director
4	Telephone number	0124-4640030
5	E-mail id	info@vmart.co.in

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

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3: Businesses should promote the wellbeing of all employees

Principle 4: Businesses should respect the interests of, and

be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Principle 5: Businesses should respect and promote human rights

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

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8: Businesses should support inclusive growth and equitable development

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

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

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

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

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

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									√
6	Any other reason (please specify)#		√			√	√	√		

#While Company is in retail business and does not deal with any product or services whose design has incorporated social or environmental concern and risk, thus there is no specific policy formulated for these principles. Though Company is taking necessary care in this regard.

### 3. Governance related to BR

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

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

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

**This is the first Business Responsibility Report being published for the Financial Year 2017-18 by the Company. The same will be displayed on the website of the Company [www.vmart.co.in](http://www.vmart.co.in)**

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

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

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

**The Company has investor grievance cum stakeholder relationship committee (IGSRC) which reviews the shareholders complaint and their resolution. During the year ended March 31, 2018 opening balance of the complaints was 1 and 4 complaints were received from the shareholders, all of which were satisfactorily attended except 1 complaint pending at the end of**

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1 Ethics, Transparency and Accountability

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



the year which were related to the Consumer Court case. Further, Customer complaints are addressed in the normal course of business by Customer Care Department of the Company.

## Principle 2 Product Responsibility

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

The main business of the Company is retailing of apparels and non-apparels, accordingly the Company does not deal with any products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

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

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

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

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

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

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

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	6	Nil
3.	Discriminatory employment	Nil	Nil

- What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees:100%
- Permanent Women Employees: 100%
- Casual/Temporary/Contractual Employees: 100%
- Employees with Disabilities: 100%

The Company procures both goods from small scale industries and small producers including from communities surrounding its place of work.

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

Company provides training, easy financing and product development support services to its vendors

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

Company recycles its packing cartons on an ongoing basis which forms a large chunk of its waste

## Principle 3 Wellbeing of Employees

- Please indicate the Total number of employees: :6161
- Please indicate the Total number of employees hired on temporary/contractual/casual basis. 03
- Please indicate the Number of permanent women employees: 1061
- Please indicate the Number of permanent employees with disabilities: 6
- Do you have an employee association that is recognised by management: NA
- What percentage of your permanent employees is members of this recognised employee association?:NA
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

## Principle 4 Responsiveness to Stakeholders

- Has the Company mapped its internal and external stakeholders?

The Company has mapped its internal and external stakeholders, the major/key categories vis. shareholders, central and state govt./regulatory authorities, customer, employee, vendors, suppliers, media, financial institutions/banks, sensx.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.

**Details of CSR initiatives executed by the Company during the year under review are given in Annexure C of the Directors' Report.**

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so. **NA**

#### **Principle 5 Human Rights:**

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

**The Company regularly engages with various NGOs and other social organisations to participate in the human right improvement initiatives as a part of its CSR activities.**

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

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

#### **Principle 6 Environmental Responsibility:**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others. The Company's energy management policy

**The Company's energy management policy extends to all units, employees and contractors in service to the business and the Company.**

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

**No**

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

**No**

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

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

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

**The initiatives taken by the Company towards energy conservation during the year under review are given in Annexure- VII of the Directors' Report**

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

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

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

**Nil**

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

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

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

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

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

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

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

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

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

**The Company's CSR initiatives are implemented through internal team as well as in partnership with Non- Governmental Organisations (NGOs). The other training & development initiatives are also implemented through internal team as well as with other external subject matter experts.**

3. Have you done any impact assessment of your initiative?  
**Periodic review is undertaken on the CSR initiative under taken by the Company.**
  4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.  
**An amount of ₹117,55,036 was spent towards CSR initiatives during the financial year 2017-18. The details thereof are given in Annexure- C of the Directors' Report.**
  5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.  
**Yes, the CSR initiative undertaken by the Company focuses on community participation, empowerment and community development**
- Principle 9 Engagement with Customers**
1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.  
**As at the end of financial year, there were 10 ongoing consumer cases.**
  2. Does the Company display product information on the product label, over and above what is mandated as per local laws?  
**The requisite information as mandated as per the local laws is mentioned on the product label of the Company.**
  3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.  
**There are no cases pending in relation to unfair trade practices, irresponsible advertising and/or anticompetitive behavior. Except a few consumer product complaints pending in consumer court.**
  4. Did your company carry out any consumer survey/ consumer satisfaction trends?  
**Yes, the Company regularly conducts the consumer survey**

# Dividend Distribution Policy

## 1. BACKGROUND AND APPLICABILITY

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

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

## 2. DIVIDEND DISTRIBUTION PHILOSOPHY

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

## 3. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

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

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

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

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

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

## 4. PARAMETERS/FACTORS CONSIDERED BY THE COMPANY WHILE DECLARING DIVIDEND

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

### A) Financial Parameters / Internal Factors:

- (a) Financial performance including profits earned (standalone), available distributable reserves etc;
- (b) Impact of dividend payout on Company's return on equity, while simultaneously maintaining prudent and reasonably conservative leveraging in every respect viz. interest coverage, DSCR (Debt Service Coverage Ratio) Net Debt: EBITDA and Net debt: Equity, including maintaining a targeted rating - domestically and internationally;
- (c) Alternate usage of cash viz. acquisition/Investment opportunities or capital expenditures and resources to fund such opportunities/expenditures, in order to generate significantly higher returns for shareholders;
- (d) Debt repayment schedules;
- (e) Fund requirement for contingencies and unforeseen events with financial implications;
- (f) Past Dividend trend including Interim dividend paid, if any; and
- (g) Any other factor as deemed fit by the Board.

### B) External Factors:

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

## 5. UTILISATION OF THE RETAINED EARNING

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

- i. Funding organic growth needs including working capital, capital expenditure, repayment of debt, etc.
- ii. Investment in new business(es) and/or additional investment in existing business(es),
- iii. Declaration of dividend,
- iv. Buy back of shares,
- v. General corporate purposes, including contingencies,
- vi. Any other permissible purpose.

## 6. PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES

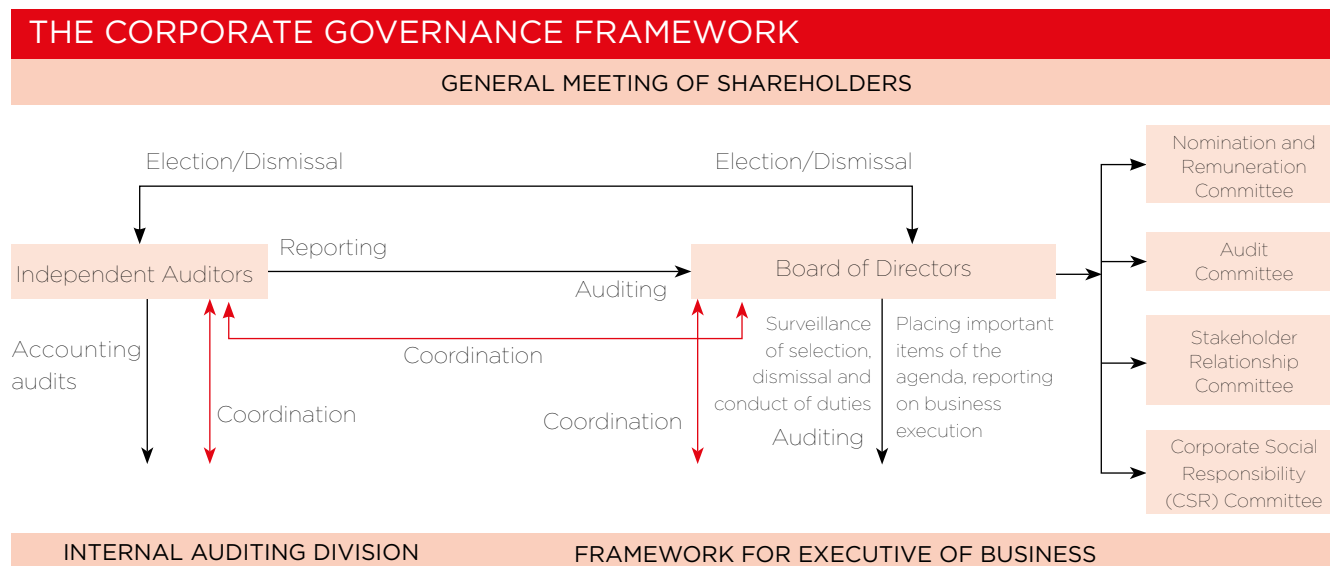
Presently, the Company has issued only one class of equity shares with equal voting rights. Accordingly, all the shareholders of the Company are entitled to receive the same amount of dividend per share. In case, the Company issues other kind of shares, the Board may suitably amend this Policy.

## 7. POLICY REVIEW AND AMENDMENTS

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

# Corporate Governance Report

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



One of the core missions of your organisation 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 31<sup>st</sup> March, 2018 is as follows:

## BOARD OF DIRECTORS

### Composition of Board

The composition of the Board as on 31<sup>st</sup> March, 2018 is as follows:

- 1) Executive Promoter Directors - 2
- 2) Non-Executive Directors (Including Independent Directors)-3

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

### Board Procedures

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

### Number of Board Meetings

During the financial year 2017-18, four Board Meetings were held. The maximum time gap between any two Board Meetings was not more than 120 days. These meetings were held on 3<sup>rd</sup> May, 2017, 18<sup>th</sup> August, 2017, 09<sup>th</sup> November, 2017 and 13<sup>th</sup> February, 2018.

The necessary quorum was present at all the meetings.



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

Name of Director	Category	No. of Board Meeting attended during financial year 2017-18	No. of other directorships in public companies* as on 31/03/2018	Attendance in the last AGM	No. of Committee** positions held in other public companies as on 31/03/2018	
					Chairman	Member
Mr. Lalit Agarwal (Chairman & Managing Director)	Promoter Executive	4	-	Yes	-	-
Mr. Madan Gopal Agarwal (Whole-time Director)	Promoter Executive	4	-	Yes	-	-
Mr. Aakash Moondhra	Independent Non-Executive Director	4	-	No	-	-
Ms. Sonal Mattoo	Independent Non-Executive Director	4	2	Yes	1	1
Mr. Murli Ramachandran	Independent Non-Executive Director	4	-	No	-	-

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

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

During the financial year 2017-18, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

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

## INDEPENDENT DIRECTORS

The Independence of a Director is determined by the criteria stipulated under Regulation 16 SEBI Listing Regulations, 2015 and as per provisions of Section 149(6) of the Companies Act, 2013 for which requisite disclosures have been made.

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

The Company Board has adopted a Familiarisation Programme for Independent Directors, ("The Familiarisation Programme"). The Programme lays down, in detail, the Familiarisation procedure of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

A copy of the Programme has been posted on the Company's website [www.vmart.co.in](http://www.vmart.co.in/investor/5/corporate-governance) (<http://www.vmart.co.in/investor/5/corporate-governance>).

## Meeting

The Independent Directors met on 13<sup>th</sup> February 13<sup>th</sup>, 2018 during the year, The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Chairman of the Company and the Board as a whole.

## Information provided to the Board

The information being provided to the Board includes:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the listed entity and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the Board of Directors.
- The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view

regarding another enterprise that may have negative implications on the listed entity.

- 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 investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Details of Equity shares held by the Directors in the Company as on 31<sup>st</sup> March, 2018 are as follows:

Name of Director*	No. of Equity Shares held
Mr. Lalit Agarwal	-
Mr. Madan Gopal Agarwal	-
Mr. Aakash Moondhra	924
Mr. Murli Ramachandran	Nil
Ms. Sonal Mattoo	Nil

\* Does not include shares held through HUF and/ or spouse.

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

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

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (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) Observation/Qualification in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  - (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
  - (9) Scrutiny of inter-corporate loans and investments;
  - (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - (11) Evaluation of Internal Financial Controls and Risk Management Systems;
  - (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems, discussion on any significant findings of them and further follow up;
  - (13) Reviewing the 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;
  - (14) To look into the reasons for substantial defaults in the payment shareholders (in case of non-payment of declared dividends) and creditors;
  - (15) To review the functioning of the whistle blower mechanism;

(16) Approval of appointment of CFO after assessing the qualification, experience and background of the candidate.

(17) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following information:

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

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

### Meetings of the Committee:

During the financial year 2017-18, five Audit Committee Meetings were held. The meetings were held on 03/05/2017, 18/08/2017, 31/08/2017, 09/11/2017, and 13/02/2018. The time gap between any two meetings was not more than 120 days.

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

Name of Members	Category	Status	No. of meeting attended
Mr. Aakash Moondhra	Independent	Chairman	5
Mr. Murli Ramachandran	Independent	Member	5
Ms. Sonal Mattoo	Independent	Member	4

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

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

### AUDIT COMMITTEE REPORT

Dear Shareholders,

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

- Development & Enhancement of the risk management process, and Internal Controls Framework;
- Review of the Company's potential in its Operations;
- Assessment and reporting of the Company's viability in view of amended regulatory requirements.

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

**Aakash Moondhra**

Chairman - Audit Committee

### NOMINATION & REMUNERATION COMMITTEE

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

#### Brief description of terms

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

The Committee makes recommendations to the Board on candidates for (i) nomination for election or re-election by the shareholders; and (ii) any Board vacancies that are to be filled. It may act on its own identifying potential candidates, inside or outside the Company or may act upon proposals submitted by the Chairman of the Board. The Nomination &

Remuneration Committee annually reviews and approves for the Chairman & Managing Director, the executive Directors and executive officers: (a) the annual base salary; (b) the annual incentive bonus, including the specific performance based goals and amount; (c) equity compensation; (d) employment agreements, severance arrangements and change in control agreements/ provisions; and (e) any other benefits, compensation or arrangements. It reviews and discusses all matters pertaining to candidates and evaluates the candidates. The Nomination & Remuneration Committee coordinates and oversees the annual self-evaluation of the Board and of individual Directors. It also reviews the performance of all the executive Directors on such intervals as may be necessary on the basis of the detailed performance parameters set for each executive Director. The Nomination & Remuneration Committee may also regularly evaluate the usefulness of such performance parameters, and make necessary amendments.

### Meetings of the Committee:

The Nomination & Remuneration Committee met five times on 03<sup>rd</sup> May, 2017, 12<sup>th</sup> July, 2017, 18<sup>th</sup> August, 2017, 09<sup>th</sup> November, 2017 and 13<sup>th</sup> February, 2018 during the financial year 2017-18.

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. Murli Ramachandran	Independent	Chairman	5
Mr. Aakash Moondhra	Independent	Member	4
Ms. Sonal Mattoo	Independent	Member	5

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

### Remuneration to Directors

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

The details of remuneration paid (including commission due as on 31<sup>st</sup> March, 2018 but not paid) to the Directors (including Independent Directors) for the period of 12 months ended on 31<sup>st</sup> March, 2018 are given below:

Amount in ₹ lacs

Name of Member	Salary	Commission	Value of perquisites u/s 17(2) of the Income tax Act, 1961	Sitting Fee	Total
Mr. Lalit Agarwal	85.39	115.06	34.57	-	235.02
Mr. Madan Gopal Agarwal	28.46	37.97	-	-	66.43
Mr. Aakash Moondhra	-	29.54	-	2	31.54
Mr. Murli Ramachandran	-	24.32	-	2	26.32
Ms. Sonal Mattoo	-	26.32	-	2	25.84

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

The Chairman & Managing Director and other Executive Directors of the Company are paid remuneration by way of salary, 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 as recommend by the Nomination & Remuneration Committee.

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

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

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

Further, we have recorded ₹77.70 lacs as commission to our Independent directors in our book of accounts for financial year ended 31<sup>st</sup> March, 2018.

## REPORT OF THE COMMITTEE

### NOMINATION & REMUNERATION COMMITTEE REPORT

Dear Shareholders,

During the financial year 2017-18, the Nomination & Remuneration Committee dealt with the following issues under consideration:

- Amendment in ESOP Scheme of the Company;
- Payment of commission to Non – Executive Directors; and
- Board evaluation

The Committee believes that recruitment, motivation and retention of outstanding senior leadership are crucial to promoting a robust future for the Company. Therefore, the Committee has adopted a detailed process to ensure that the Board selects, motivates, and retains the right candidates for senior leadership positions.

During the year, the Committee discussed the retirement of the Board according to statutory requirements. As per the provisions under the Companies Act, 2013, Independent Directors are not liable to retire by rotation. As such, none of the Independent Directors will retire at the ensuing AGM. Further, following the provisions of the Companies Act, 2013, Mr. Madan Gopal Agarwal will retire in the ensuing AGM. The Committee considered his performance and recommended that the shareholders may consider the necessary resolutions for the re-appointment of Mr. Madan Gopal Agarwal.

With the steps taken this year, we are confident that we have a strong Board and efficient working criteria to take the Company forward beyond the current turnaround period. Having said that, the Committee will continue to refresh and review succession plans. The Committee will also keep the timing of further Board effectiveness evaluations under consideration and assess whether going forward, internal or external reviews would be most appropriate.

**Murli Ramachandran**

Chairman - Nomination & Remuneration Committee

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has constituted Stakeholders Relationship Committee in accordance with provisions of Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

The Stakeholders Relationship Committee has been constituted to specifically look into the Redressal of Shareholders and Investors complaints and other Shareholder related issues. The Committee approves transfer, transmission of shares and issues like split, sub-division, consolidation of securities, issue of duplicate share certificates, dematerialisation/ re-materialisation of shares etc.

The Stakeholders Relationship Committee comprises of one Independent Director and two Executive Directors.

### Meeting of the Committee

The meetings of the Committee were held on 03<sup>rd</sup> May, 2017 and 02<sup>nd</sup> January, 2018 during the financial year 2017-18. The composition and attendance of the Stakeholders Relationship Committee is as under:

Name of Members	Category	Status	No. of meeting attended
Ms. Sonal Mattoo	Independent	Chairperson	1
Mr. Lalit Agarwal	Promoter Executive	Member	2
Mr. Madan Gopal Agarwal	Promoter Executive	Member	2

## STAKEHOLDERS RELATIONSHIP COMMITTEE REPORT

Dear Shareholders,

Under the purview of the Statutory requirements and other applicable provisions, the Committee has worked on the following details of Shareholders' queries/complaints received and resolved during the year under review:

Particulars	Complaints
Received during the year	4
Disposed off during the year	4
Remaining unresolved as on 31 <sup>st</sup> March, 2018	Nil

The Committee has successfully resolved the complaints/queries received to serve its shareholders at its best.

### Sonal Mattoo

Chairperson - Stakeholders Relationship Committee

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

The composition and attendance of Corporate Social Responsibility Committee are as under:

Name of Members	Category	Status	No. of meeting attended
Mr. Lalit Agarwal	Promoter Executive	Chairman	4
Mr. Madan Gopal Agarwal	Promoter Executive	Member	4

Name of Members	Category	Status	No. of meeting attended
Mr. Aakash Moondhra	Independent	Member	4
Ms. Sonal Mattoo	Independent	Member	4

## Meeting of the Committee

The committee met four times during the financial year 2017-18.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE REPORT

Dear Shareholders,

At V- Mart, 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.

With the increasing requirement and need, the Committee has played a key role in reviewing and challenging the Corporate Responsibility agenda of the Company and has received updates on a range of issues, more information on which is set out below under 'Corporate Responsibility Committee activities'.

With a view to strengthen the vision, the Committee has recognised to maximize the internal talent and intends to make a contribution on corporate responsibility issues.

### Lalit Agarwal

Chairman - Corporate Social Responsibility Committee

## COMPLIANCE OFFICER

In terms of Regulation 7 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, Ms. Megha Tandon, Company Secretary, is designated as the Compliance Officer of the Company for complying with the requirements of Securities Laws and Listing Regulations.



## 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
2016-17	Monday, 18 <sup>th</sup> September, 2017	9.30 a.m	Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sector -12, R.K. Purim, New Delhi - 110022	Yes
2015-16	Wednesday, 28 <sup>th</sup> September, 2016	9.30 a.m	Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sector -12, R.K. Purim, New Delhi - 110022	Yes
2014-15	Tuesday, 29 <sup>th</sup> September, 2015	9.30 a.m.	Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sector -12, R.K. Purim, New Delhi - 110022	Yes

During the period of last four years, no Extra-Ordinary General Meeting of the members was held.

## POSTAL BALLOT

During the year under review, no special resolution has been passed through the exercise of postal ballot.

## CODE OF CONDUCT

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

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

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

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management an affirmation that they have complied with the Code in the financial year 2017-18.

**Lalit Agarwal**

Chairman & Managing Director

## INFORMATION TO SHAREHOLDERS

- Date, time and Venue of the 16<sup>th</sup> Annual General Meeting**  
Friday 29<sup>th</sup> June, 2018 at 9:30 a.m.  
At Delhi Karnataka Sangha Auditorium, Rao Tularam Marg, Sector -12, R.K. Puram,  
New Delhi - 110022
- Financial Year**  
1<sup>st</sup> April to 31<sup>st</sup> March
- Date of Book Closure**  
From 22<sup>nd</sup> June, 2018 to 02<sup>nd</sup> July, 2018 (both days inclusive)

## 4. Dividend

The Board of Directors of the Company has recommended a dividend of ₹2/- per equity share, subject to approval of shareholders at the ensuing Annual General Meeting. The dividend, if approved, at the ensuing Annual General Meeting, will be paid/credited to those members/beneficial owners whose names appear on the register of members/depository records as on 21<sup>st</sup> June, 2018. (Cut-off Date)

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

## 5. Registered Office

610-611, Guru Ram Dass Nagar,  
Main Market, Opp. SBI Bank,  
Lama Nagar, New Delhi - 110092.

## 6. Corporate Office

Plot No. 862, Udyog Vihar, Industrial Area, Phase V,  
Gurgaon-122016 (Haryana)

## LISTING IN STOCK EXCHANGES

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

### National Stock Exchange of India Limited

"Exchange Plaza"

Bandra-Kurla Complex

Bandra (E), Mumbai-400 051

Scrip Code: VMART

AND

### BSE Limited

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai-400 001

Scrip code: 534976

ISIN No. INE665J01013

## LISTING FEES

Listing fees, as prescribed for the financial year 2018-19, 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](mailto:compliance@vmart.co.in), proactively managed by the Company under the - 'Investor' section of Company's website.

## ANALYST

Analyst may schedule their conference calls and meeting with:

- 1) Mr. Anand Agarwal\*, Chief Financial Officer and
- 2) Mr. Girish Garg;

Through the e-mail address [compliance@vmart.co.in](mailto:compliance@vmart.co.in) under the Investor section of Company's website.

(\*Mr. Anand Agarwal is appointed CFO of the Company w.e.f. 5<sup>th</sup> June, 2017)

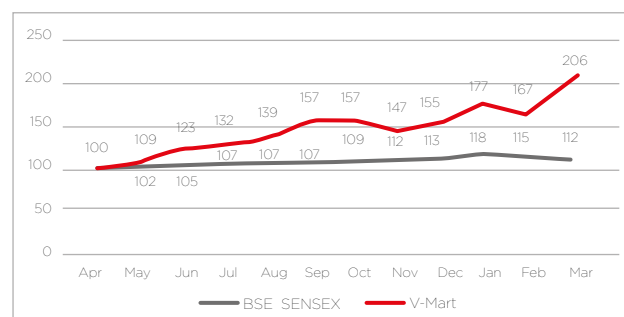
## STOCK MARKET DATA

Monthly High and Low Share Price of V-Mart Retail Ltd. for the financial year 2017-2018 at BSE and NSE

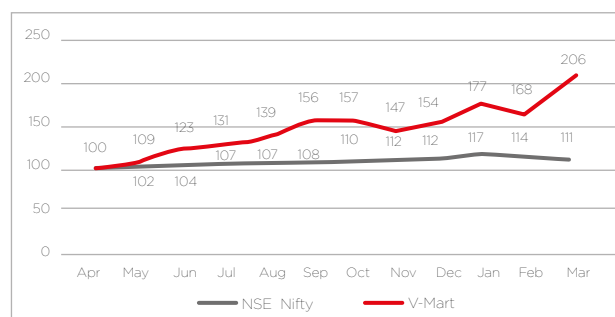
Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-17	972.40	830.75	973.50	810.00
May-17	1072.00	920.00	1067.00	921.05
Jun-17	1201.05	976.00	1210.65	976.70
Jul-17	1301.00	1115.20	1305.55	1115.55
Aug-17	1547.85	1018.00	1549.90	1015.05
Sep-17	1586.90	1324.00	1585.00	1340.50
Oct-17	1537.90	1378.10	1528.65	1385.25
Nov-17	1442.00	1192.00	1450.00	1221.20
Dec-17	1528.95	1300.35	1528.00	1314.75
Jan-18	1800.00	1465.00	1798.00	1460.00
Feb-18	1654.95	1256.00	1658.70	1300.05
Mar-18	2103.00	1628.00	1992.35	1623.05

## PERFORMANCE OF THE SHARE PRICE OF The Company IN COMPARISON TO BSE SENSEX & NSE-NIFTY

V-MART Share price and BSE Sensex movement



V-MART Share price and NSE NIFTY movement



## SHAREHOLDING PATTERN AS ON MARCH 31<sup>st</sup>, 2018

Sr. No.	Category	Total Shares	% to Equity
1	PROMOTERS HOLDING	97,94,063	54.12
2	FOREIGN INSTITUTIONAL INVESTORS	-	-
3	BODIES CORPORATES	4,01,119	2.22
4	MUTUAL FUNDS	4,97,428	2.75
5	RESIDENT INDIVIDUALS (INCLUDING EMPLOYEES)	14,85,133	8.21
6	NON RESIDENT INDIANS	37,702	0.21
7	NON RESIDENT INDIAN NON REPATRIABLE	16,883	0.09
8	H U F	37,949	0.21
9	CLEARING MEMBERS	71,940	0.40
10	BANKS	3,905	0.02
11	FOREIGN PORTFOLIO INVESTMENT	56,59,560	31.27
12	INDIAN FINANCIAL INSTITUTIONS	3,014	0.02
13	NBFC	1,719	0.01
14	ALTERNATIVE INVESTMENT FUND	86,590	0.48
15	TRUSTS	350	0.00
	<b>TOTAL</b>	<b>18,097,355</b>	<b>100.00</b>

## DISTRIBUTION SCHEDULE AS ON MARCH 31, 2018

Category (Amount)	Total Cases	Total Cases %	Total Shares	Total Amount	Total Amount %
1-5000	5,787	93.7925	2,73,588	27,35,880	1.51
5001- 10000	130	2.107	1,01,961	10,19,610	0.56
10001- 20000	77	1.248	1,18,506	11,85,060	0.65
20001- 30000	31	0.5024	79,765	7,97,650	0.44
30001- 40000	21	0.3404	74,799	7,47,990	0.41
40001- 50000	10	0.1621	44,623	4,46,230	0.25
50001- 100000	33	0.5348	2,61,252	26,12,520	1.44
100001 & Above	81	1.3128	1,71,42,861	17,14,28,610	94.72
<b>Total</b>	<b>6170</b>	<b>100</b>	<b>1,80,97,355</b>	<b>18,09,73,550</b>	<b>100</b>

## UNCLAIMED SHARES

Disclosure in regard to the provisions of Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V (F) are given below:

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

## DEMATERIALISATION 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 dematerialised or physical mode, of the Company as on March 31, 2018.

No. of shares held in dematerialised and physical mode:

Sr. No	Particulars	Number of Shares	% of Total issued Capital
1	Shares held in dematerialised form in CDSL	2,141,337	11.83%
2	Shares held in dematerialised form in NSDL	15,955,900	88.17%
3	Shares held in physical form	118	0%
	<b>Total</b>	<b>18,097,355</b>	<b>100%</b>

## 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 dematerialised 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 with the stipulated time period. All share transfers are approved by the officials authorised by the Board and thereafter ratified by the Shareholders' / Investors' Grievance Committee at its next meeting.

## DIVIDEND INTIMATION THROUGH E-MAIL

As a "Go Green" Initiative and as per regulatory requirements, the Company has taken initiative of sending intimation of dividend for financial year 2017-18 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, Business Standard, Jansatta" Newspapers within 48 hours after the approval by the Board.

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

Description	Date
Unaudited financial results for the first quarter ended 30 <sup>th</sup> June, 2017	19 <sup>th</sup> August, 2017
Unaudited financial results for the second quarter and the half year ended 30 <sup>th</sup> September, 2017	10 <sup>th</sup> November, 2017
Unaudited financial results for the third quarter and the nine months ended 31 <sup>st</sup> December, 2017	14 <sup>th</sup> February, 2018
Audited financial results for the fourth quarter and the year ended 31 <sup>st</sup> March, 2018	25 <sup>th</sup> May, 2018

The details of the financial results and shareholding pattern are hosted on the Company's website: [www.vmart.co.in](http://www.vmart.co.in). All other official news, press releases and presentation made to the Institutional Investors or Analysts and their transcripts are published on the same website.

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

## SUBSIDIARY COMPANIES

The Company does not have any subsidiary hence, no such provision applicable.

## PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a Certificate from the Practising Company Secretary regarding compliance of conditions of corporate governance as mandated in Regulation 34(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The certificate is **annexed** to this Annual 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: [www.vmart.co.in](http://www.vmart.co.in).

## DISCLOSURES

**Disclosures of related party transactions:** There have been no significant material related party transactions. The

related party transactions are disclosed in the Notes to the Accounts in this Annual Report. All details relating to business transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussions nor do they vote on such matters

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

**CEO/CFO Certification:** Managing Director and Chief Financial Officer have certified to the Board with respect to the financial statements, internal controls and other matters as required under Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

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

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

The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents as per the requirements of Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 which has been disclosed on the website of the Company on the following link- (<http://www.vmart.co.in/investor/5/corporate-governance>)

## WHISTLE BLOWER / VIGIL MECHANISM

The Company has established a Vigil Mechanism / Whistleblower Policy. The purpose of this mechanism is

to provide framework to report concern about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethic's policy and provide adequate safe guards against 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.

The said policy has been also put up on the website of the Company at the following link: - (<http://www.vmart.co.in/investor/5/corporate-governance>)

## Non-mandatory requirements:

- **Chairman of the Board:** The Board of Directors of the Company had appointed Mr. Lalit Agarwal as Chairman and Managing Director of the Company. As there is no separate office of the Chairman being maintained, no reimbursement of expenses is being made for maintenance of separate Chairman's office.
- **Shareholders' Rights/Information:** Information like financial results, official news releases, press releases, presentation to analyst etc. is displayed on the Company's website. i.e. [www.vmart.co.in/investor](http://www.vmart.co.in/investor).
- **Unmodified audit opinions / reporting:** The Company follows a regime wherein the opinion whether modified or unmodified is reported to the members of the Board and its committee formed for this purpose.
- **Internal Auditor Reporting:** The Internal auditor presents reports on the audit being done for the time period directly to the audit committee wherein the detailed discussion takes place.

# Corporate Governance Compliance Certificate

To  
The Members of  
V-MART RETAIL LIMITED

We have examined the compliance of conditions of Corporate Governance by **V-Mart Retail Limited** ("the Company") for the year ended on March 31<sup>st</sup>, 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period ended March 31, 2018.

## Managements' Responsibility

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and the representations made by directors and the management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 of SEBI Listing Regulations, as applicable.

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

**For JVM & Co.**  
(Company Secretaries)

**Mayank Vashist**  
ACS No. 48820  
CP No. 19885

Date: May 24<sup>th</sup>, 2018  
Place: Delhi



# 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 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

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

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## Other Matter

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2017 and 31 March 2016 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 03 May 2017 and 27 May 2016 respectively. These financial statements

have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure A, 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 Ind AS specified under Section 133 of the Act;
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 24 May

2018 as per Annexure B expressed an unqualified opinion; and

- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company, as detailed in Note 35 to the financial statements, has disclosed the impact of pending litigations on its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Anupam Kumar**

Partner

Membership No.: 501531

**Place:** Gurugram

**Date:** 24 May 2018

# ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure A 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 2018

## Annexure A

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment and intangible assets under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. Material discrepancies noticed on such verification have been properly dealt with in the books of account.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been slight delay in few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

### Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax	68.86	37.69	1 June 2007 to 31 March 2010	The Hon'ble Supreme Court of India
The Income-Tax Act, 1961	Income tax	6.13	-	Financial year 2011-12	Commissioner Income Tax, Kolkata
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	6.14	6.14	Financial year 2012-13	Assistant Commissioner Commercial Tax, Ghaziabad

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	8.76	8.76	Financial year 2013-14	Mobile Squad Unit -1 Muzaffarnagar
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	4.31	-	Financial year 2013-14	Additional Commissioner Tax, Muzaffarnagar
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	12.55	12.55	Financial year 2015-16	Assisstant commissioner (Mobile squad) Tax, Ghaziabad
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	8.60	8.60	Financial year 2016-17	Sale Tax Department, Uttar Pradesh
The Uttarakhand Value Added Tax Act, 2005	Value added tax	1.90	1.90	Financial year 2016-17	Additional Commissioner Tax- Uttarakhand
The Uttarakhand Value Added Tax Act, 2005	Value added tax	4.13	-	Financial year 2016-17	VAT Tribunal, Uttarakhand
The Bihar Value Added Tax Act, 2005	Value added tax	201.85	40.35	Financial year 2012-13	Joint Commissioner Commercial Taxes officer Appeal, Patliputra
The Bihar Value Added Tax Act, 2005	Value added tax	200.94	40.19	Financial year 2013-14	Commercial Tax Department, Bihar
The Uttarakhand Value Added Tax Act, 2005	Value added tax	3.00	-	Financial year 2015-16	Deputy Commissioner, VAT Dehradun

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any loans or borrowings from government or any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer/further public offer (including debt instruments) during the year. In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit, except for certain instances of misappropriation of inventory by employees at certain stores of the Company, identified by the management as further described in Note 46. Further, during the year, an instance of robbery of cash and inventory worth ₹13.80 lacs was noted at one of the stores of the Company, which has been provided for in the financial statements by the Company. The Company has filed an FIR for such incident and basis the initial investigation conducted by the police, certain employees have been suspended by the Company.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

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

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

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

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

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

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

per **Anupam Kumar**

Partner

Membership No.: 501531

Place: Gurugram

Date: 24 May 2018

# Annexure B 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 2018

## Annexure B

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of V-Mart Retail Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No: 001076N/N500013

per Anupam Kumar

Partner

Membership No: 501531

Place: Gurugram

Date: 24 May 2018

## BALANCE SHEET as at 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3(a)	14,122.69	11,456.39	9,132.58
Capital work in progress		351.02	116.10	220.77
Intangible assets	3(b)	352.03	274.10	274.69
Financial assets				
Investments	4(a)	634.18	584.91	1,573.28
Loans	5(a)	719.52	617.00	534.05
Other financial asset	5(b)	5.04	2.91	9.61
Deferred tax assets (net)	6	920.10	785.99	744.15
Non-current tax assets (net)	7	73.89	-	-
Other non current assets	8	948.11	1,028.33	1,071.19
		<b>18,126.58</b>	<b>14,865.73</b>	<b>13,560.32</b>
<b>Current assets</b>				
Inventories	9	30,711.20	26,917.55	20,442.71
Financial assets				
Investments	4(b)	2,769.13	6,598.57	2,023.45
Cash and cash equivalents	10	1,373.71	286.30	204.09
Other Bank balances	11	585.07	5.72	223.83
Loans	12(a)	7.73	8.85	30.29
Other financial assets	12(b)	111.89	86.23	67.62
Other current assets	13	1,305.08	301.65	783.28
		<b>36,863.81</b>	<b>34,204.87</b>	<b>23,775.27</b>
		<b>54,990.39</b>	<b>49,070.60</b>	<b>37,335.59</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	1,809.74	1,806.82	1,806.67
Other equity	15	32,934.40	25,196.96	20,771.27
		<b>34,744.14</b>	<b>27,003.78</b>	<b>22,577.94</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	16	32.24	59.71	-
Other financial liabilities	17	416.66	368.39	330.70
Provisions	18	390.63	292.12	212.84
		<b>839.53</b>	<b>720.22</b>	<b>543.54</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	19	-	3,487.04	2,691.13
Trade payables	20	16,678.20	15,990.29	9,564.66
Other financial liabilities	21	1,529.34	855.89	1,005.49
Other current liabilities	22	932.76	500.67	387.11
Provisions	23	29.52	16.56	15.68
Current tax liabilities (net)	24	236.90	496.15	550.04
		<b>19,406.72</b>	<b>21,346.60</b>	<b>14,214.11</b>
		<b>54,990.39</b>	<b>49,070.60</b>	<b>37,335.59</b>

The accompanying notes form an integral part of these financial statements.

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

For **Walker Chandiok & Co LLP**  
Chartered Accountants

per **Anupam Kumar**  
Partner

Place: Gurugram  
Date: 24 May, 2018

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

**Madan Gopal Agarwal**  
Director  
DIN No. 02249947

**Anand Agarwal**  
Chief Financial Officer  
ADDPA0633P

**Lalit Agarwal**  
Managing Director  
DIN No. 00900900

**Megha Tandon**  
Company Secretary  
Membership No. A35532



## STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>REVENUE</b>			
Revenue from operations	25	1,22,237.19	1,00,172.55
Other income	26	414.11	414.09
<b>Total Revenues</b>		<b>1,22,651.30</b>	<b>1,00,586.64</b>
<b>EXPENSES</b>			
Purchase of stock-in-trade	27	86,820.49	76,751.71
Changes in inventories of stock-in-trade	28	(3,793.65)	(6,474.84)
Employee benefit expenses	29	9,839.05	7,827.95
Other expenses	30	16,092.73	13,591.85
<b>Total expenses</b>		<b>1,08,958.62</b>	<b>91,696.67</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>13,692.68</b>	<b>8,889.97</b>
Finance costs	31	152.89	352.42
Depreciation and amortisation expense	32	2,293.12	1,855.32
<b>Profit before tax</b>		<b>11,246.67</b>	<b>6,682.23</b>
<b>Tax expense</b>	33		
Current tax (including earlier years)		3,625.60	2,342.24
Deferred tax		(149.34)	(50.44)
<b>Total tax expense</b>		<b>3,476.26</b>	<b>2,291.80</b>
<b>Profit for the year</b>		<b>7,770.41</b>	<b>4,390.43</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of post employment benefit obligations		44.01	24.86
Income tax on above		(15.23)	(8.60)
<b>Total Other Comprehensive Income</b>		<b>28.78</b>	<b>16.26</b>
<b>Total Comprehensive Income for the year</b>		<b>7,799.19</b>	<b>4,406.69</b>
<b>Earning per share (in ₹)</b>	32		
Basic		42.94	24.30
Diluted		42.79	24.22

The accompanying notes 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**  
Chartered Accountants

per **Anupam Kumar**  
Partner

Place: Gurugram  
Date: 24 May, 2018

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

**Madan Gopal Agarwal**  
Director  
DIN No. 02249947

**Anand Agarwal**  
Chief Financial Officer  
ADDDPA0633P

**Lalit Agarwal**  
Managing Director  
DIN No. 00900900

**Megha Tandon**  
Company Secretary  
Membership No. A35532

## CASH FLOW STATEMENT for the year ended 31 March 2018

(By indirect method)

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A. Cash flows from operating activities</b>		
Net profit before tax	11,246.67	6,682.23
Adjustment for:		
Depreciation and amortisation expense	2,217.98	1,789.18
(Profit)/loss on sale of fixed assets	4.19	(0.01)
Profit on sale of investments (net)	(110.39)	(95.54)
Fixed assets written off	41.37	25.36
Employee compensation expense under ESOP	118.67	38.71
Balances written off	54.95	19.26
Dividend income	(47.14)	(56.65)
Interest income	99.48	(13.61)
Liabilities written back	(26.35)	(129.57)
Finance costs	152.89	352.42
Profit on fair valuation of investments	-	(62.05)
Interest and expenses for fair valuation of deposits (net)	(50.69)	5.85
Provision against doubtful advances	-	48.37
<b>Operating profit before working capital changes</b>	<b>13,701.63</b>	<b>8,603.95</b>
Changes in working capital :		
Movement in other financial assets	(131.32)	(174.94)
Movement in other current assets	(945.84)	524.49
Movement in inventories	(3,793.65)	(6,474.82)
Movement in trade payables	687.88	6,425.63
Movement in other financial liabilities	182.46	129.84
Movement in other liabilities	432.09	182.63
Movement in provisions	111.47	80.16
<b>Cash generated from operations</b>	<b>10,244.72</b>	<b>9,296.94</b>
Taxes paid	(3,810.96)	(2,425.17)
<b>Net cash flow from operating activities</b>	<b>6,433.76</b>	<b>6,871.77</b>
<b>B. Cash flows used in investing activities</b>		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(4,791.06)	(4,155.33)
Purchase of investments	(3,403.31)	(18,810.84)
Proceeds from sale of investments	7,355.74	15,438.02
Proceeds from sale of fixed assets	13.54	3.94
Interest received	(99.71)	22.93
Redemption of/(investment in) bank deposits (having original maturity of more than three months)	-	17.87
Earmarked bank deposits (refer note 11)	(463.35)	-
Movement in pledged fixed deposits	(117.84)	205.93
<b>Net cash flow used in investing activities</b>	<b>(1,505.99)</b>	<b>(7,277.48)</b>

## CASH FLOW STATEMENT for the year ended 31 March 2018

(By indirect method)

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>C. Cash flows from/(used in) financing activities</b>		
Proceeds from issue of equity shares including securities premium	94.77	2.20
Repayment of long term borrowings	(23.29)	(5.41)
(Repayments of)/proceeds from short term borrowings (net)	(3,487.04)	795.90
Equity dividend paid	(226.22)	(18.07)
Corporate dividend tax paid	(46.05)	(45.97)
Finance charges paid	(152.53)	(323.37)
Proceeds from long term borrowings	-	82.64
<b>Net cash (used in)/generated from financing activities</b>	<b>(3,840.36)</b>	<b>487.92</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,087.41</b>	<b>82.21</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>286.30</b>	<b>204.09</b>
<b>F. Cash and cash equivalents at the end of the year (D+E) {refer note 10}</b>	<b>1,373.71</b>	<b>286.30</b>

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

For **Walker Chandiok & Co LLP**  
Chartered Accountants

per **Anupam Kumar**  
Partner

**Place:** Gurugram  
**Date:** 24 May, 2018

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

**Madan Gopal Agarwal**  
Director  
DIN No. 02249947

**Anand Agarwal**  
Chief Financial Officer  
ADDDPA0633P

**Lalit Agarwal**  
Managing Director  
DIN No. 00900900

**Megha Tandon**  
Company Secretary  
Membership No. A35532

## STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

	Amount
<b>A. Equity share capital</b>	
Balance as on 1 April 2016	1,806.67
Issue of equity share capital under Employee Stock Option Scheme	0.15
Balance as on 31 March 2017	1,806.82
Issue of equity share capital under Employee Stock Option Scheme	2.92
Balance as on 31 March 2018	1,809.74

### B. Other equity

Particulars	Securities premium reserve	Amalgamation reserve	Retained earnings	Shares option outstanding account	Total
Balance as on 1 April 2016	8,926.69	154.76	11,638.71	51.11	20,771.27
Profit for the year	-	-	4,390.43	-	4,390.43
Remeasurement of defined benefit obligations	-	-	16.26	-	16.26
Payment of dividend on equity shares #	-	-	(18.08)	-	(18.08)
Payment of dividend distribution tax	-	-	(3.68)	-	(3.68)
Recognition of share based payment expenses	-	-	-	38.71	38.71
Transfer from share option outstanding account on exercise of options	0.75	-	-	(0.75)	-
Received during the year against issue of shares to employees under ESOP scheme	2.05	-	-	-	2.05
Balance as on 31 March 2017	8,929.49	154.76	16,023.64	89.07	25,196.96
Profit for the year	-	-	7,770.41	-	7,770.41
Remeasurement of defined benefit obligations	-	-	28.78	-	28.78
Payment of dividend on equity shares #	-	-	(226.22)	-	(226.22)
Payment of dividend distribution tax	-	-	(46.05)	-	(46.05)
Recognition of share based payment expenses	-	-	-	118.67	118.67
Transfer from share option outstanding account on exercise of options	46.72	-	-	(46.72)	-
Received during the year against issue of shares to employees under ESOP scheme	91.85	-	-	-	91.85
Balance as on 31 March 2018	9,068.06	154.76	23,550.56	161.02	32,934.40

# Transactions with owners in their capacity as owners

This is the Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants

per **Anupam Kumar**  
Partner

Place: Gurugram  
Date: 24 May, 2018

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

**Madan Gopal Agarwal**  
Director  
DIN No. 02249947

**Anand Agarwal**  
Chief Financial Officer  
ADDPA0633P

**Lalit Agarwal**  
Managing Director  
DIN No. 00900900

**Megha Tandon**  
Company Secretary  
Membership No. A35532

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### 1. Corporate information

V-Mart Retail Limited (the 'Company'), incorporated on 24 July 2002, is a public limited company with its equity shares listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE). The Company retails readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India. The Company is domiciled in India with registered office situated at 610-611, Guru Ram Dass Nagar, Main Market, Opposite SBI Bank, Laxmi Nagar, New Delhi and corporate office situated at Plot No-862, Udyog Vihar Industrial Area, Phase V, Gurugram. The financial statements of the Company for the year ended 31 March 2018 are authorised for issue on 24 May 2018 in accordance with a resolution of the Board of Directors. The revision to financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Companies Act, 2013 ("the Act").

### 2(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ('Ind AS') and comply with requirements of Ind AS, stipulations contained in Schedule III (revised) as applicable under Section 133 of the Act, the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other pronouncements/provisions of applicable laws. For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Act read together with Rule 7 of the Companies (Accounts) Rules 2014 ('Indian GAAP'). The financial statements for the year ended 31 March 2018 are the first to have been prepared in accordance with Ind AS.

The transition to Ind AS was carried out retrospectively as on the transition date of 01 April 2016. The financial statements contain an opening balance sheet as on 01 April 2016, comparative information for 31 March 2017 presented under Ind AS and reconciliation for key changes for amounts reported under Indian GAAP and Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- ii. Share based payments;

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

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

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

All other assets are classified as non-current.

A liability is current when:

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

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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

### 2(b) Recent accounting pronouncements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018 via notification dated 28 March 2018 to further amend Companies (Indian Accounting Standards) Rules, 2015, notifying a new revenue recognition standard Ind AS 115, 'Revenue from Contracts with Customer'. This amendment replaces Ind AS 18, 'Revenue' and Ind AS 11, 'Construction Contracts'. Also notifying an insertion of Appendix B, 'Foreign currency transaction and advance consideration' to Ind AS 21, 'The effect of change in foreign exchange rate', amendment to Ind AS 40, 'Investment property' and amendment to Ind AS 12, 'Income taxes'. The amendments are applicable to the Company from 01 April 2018.

- Notification of Ind AS 115:

The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

- a. Identify the contract(s) with a customer;
- b. Identify the performance obligations;
- c. Determine the transaction price;
- d. Allocate the transaction price to the performance obligations;
- e. Recognise revenue when or as an entity satisfies performance obligation.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.

- Insertion of Appendix B to Ind AS 21:

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it). The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability), for recognising related expense/income on the settlement of said asset/liability.

This Appendix does not apply when an entity measures the related asset, expense or income on initial recognition:

- a. At fair value; or
- b. At the fair value of the consideration paid or received at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability arising from advance consideration.

An entity is not required to apply this Appendix to:

- a. income taxes; or
- b. insurance contracts (including reinsurance contracts) that it issues or reinsurance contracts that it holds.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.

- Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.

### 2(c) Significant accounting policies

#### i) Fair value measurements

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

#### ii) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excludes taxes/duties collected on behalf of the government.

##### a) Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. GST and value added tax (VAT) are not received by the Company on its own account but collected on behalf of the government and accordingly, are excluded from revenue.

##### b) Interest:

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Interest income is included in finance income in the Statement of Profit and Loss.

##### c) Services rendered:

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### iii) Inventories

**Inventories are valued as follows:**

- a) Packing and accessories: At lower of cost and net realisable value. Cost represents purchase price and other direct costs and is determined on a "first in, first out" basis.
- b) Traded goods: At lower of cost and net realisable value. Cost of inventories comprises all costs of purchase price and other incidental costs incurred in bringing the inventories to their present location and condition. Cost is determined based on first in first out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

### iv) Property, plant and equipment ("PPE")

PPE and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Cost comprises the purchase price and any 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. The cost of an item of PPE shall be recognised as an asset if, and only if:

- a) it is probable that future economic benefits associated with the item will flow to the entity; and
- b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of PPE is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing 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 year during which such expenses are incurred. Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Statement of Profit and Loss.

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ("Schedule II") on a pro-rata basis from the date the asset is ready to put to use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Assets category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Plant and equipment	6-9 years	15 years
Office equipment	5 years	5 years
Computers	3-6 years	3-6 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

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

### v) Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development costs, pre-operating expenses and other direct expenditure.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### vi) Intangible assets

Intangible assets are initially recognised at:

- a) In case the assets are acquired separately then at cost,
- b) In case the assets are acquired in a business combination then at fair value.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss. Intangible assets are amortised on a straight line basis over 6 years.

### vii) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed to the Statement of Profit and Loss in the period in which they occur.

### viii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 01 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### *Company as a lessee*

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit or the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### ix) 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 non-current investments. All investments are carried at fair value.

### x) Dividend

Dividend declared is recognised as a liability only after it is approved by the shareholders in the general meeting.

### xi) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

Government grants relating to the purchase of PPE are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

### xii) Employee benefits

#### *Contribution to provident and other funds*

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### *Gratuity*

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Company recognises termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

#### *Compensated absences*

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### xiii) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share Option Outstanding Account' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

### xiv) Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

### xv) Income taxes

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit or Loss (either in other comprehensive income or in equity).

### xvi) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

### xvii) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

### xviii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

For purposes of subsequent measurement, financial assets are classified as follows:

- a) Debt instruments at amortised cost  
A debt instrument is measured at the amortised cost where the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income from these financial assets is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- b) Debt instruments at Fair Value Through Other Comprehensive Income  
Assets that are held for collection of contractual cashflows and for selling the financial assets, where the cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income ("FVOCI"). The Company has not designated any debt instrument in this category.

- c) Debt instruments at Fair Value Through Profit or Loss  
Fair Value Through Profit or Loss ("FVTPL") is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

d) Investment in mutual fund

Investments in mutual funds are measured at FVTPL.

e) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 'Business Combinations' applies are Ind AS classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair values. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset is derecognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive the contractual cash flows from the asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred.

Impairment of financial assets

The Company measures the Expected Credit Loss ("ECL") associated with its assets based on historical trends, industry practices and the general business environment in which it operates. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/ expense in the Statement of Profit and Loss under the head 'other expenses'.

### Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial recognition, financial liabilities designated at amortised costs are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **Derivative financial instruments**

Derivatives are initially recognised at fair value on the date of executing a derivative contract and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

### **xix) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

### **xx) Dividend distribution to equity holders**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### **xxi) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **xxii) 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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

### **xxiii) Earnings per share**

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events, other than conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

For the purpose of calculating diluted earnings/(loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### xxiv) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

#### i) Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

##### a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

##### b) Recognition of deferred tax

The extent to which deferred tax asset to be recognised is based on the assessment of the probability of the future taxable income against which the deferred tax asset can be utilised.

#### ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### a) Useful lives of depreciable assets

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

##### b) Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future trends salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

### c) Inventories

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. Further, the Company also estimate expected loss due to shrinkage, pilferage etc. along with NRV impact on old inventory taking into account most reliable information available at the reporting date.

### d) Impairment of assets

In assessing impairment, the Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

### e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### xxv) Measurement of EBIDTA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 3(a) Property, plant and equipment

Particulars	Plant and Equipment	Office Equipment	Leasehold Improvements	Computers	Furniture and Fixtures	Vehicles	Total
As at 1 April 2016 cost	4,149.06	222.43	1,320.84	300.03	4,964.01	114.92	11,071.29
Ind AS adjustment (refer note 51)	(238.32)	(3.30)	(910.76)	-	(781.21)	(5.12)	(1,938.71)
As at 1 April 2016 - Deemed Cost	3,910.74	219.13	410.08	300.03	4,182.80	109.80	9,132.58
Additions	1,702.51	118.80	380.93	167.91	1,786.90	122.83	4,280.23
Disposals	(25.33)	(1.06)	(147.01)	(0.94)	(76.23)	(5.37)	(255.94)
As at 31 March 2017	5,587.92	336.87	644.00	467.00	5,893.47	227.61	13,156.87
As at 1 April 2017	5,587.92	336.87	644.00	467.00	5,893.47	227.61	13,156.87
Additions	1,944.01	146.77	135.13	263.14	2,426.47	32.57	4,948.08
Disposals	(15.49)	(0.26)	(31.20)	(0.16)	(7.86)	(36.94)	(91.91)
As at 31 March 2018	7,516.44	483.38	747.93	729.98	8,312.08	223.24	18,013.04
Accumulated depreciation							
As at 1 April 2016	-	-	-	-	-	-	-
Charge for the year	876.19	77.99	86.95	142.32	587.82	23.73	1,795.00
Disposals	(17.00)	(0.68)	(14.09)	(0.54)	(57.10)	(5.11)	(94.52)
As at 31 March 2017	859.19	77.31	72.86	141.78	530.72	18.62	1,700.48
As at 1 April 2017	859.19	77.31	72.86	141.78	530.72	18.62	1,700.48
Charge for the year	1,033.09	118.69	94.08	159.64	778.94	39.32	2,223.76
Disposals	(2.59)	(0.09)	(4.78)	(0.04)	(1.92)	(24.48)	(33.89)
As at 31 March 2018	1,889.69	195.91	162.16	301.38	1,307.74	33.46	3,890.35
Carrying amount (net)							
As at 1 April 2016 - Cost	3,910.74	219.13	410.08	300.03	4,182.80	109.80	9,132.58
As at 31 March 2017	4,728.73	259.56	571.14	325.22	5,362.75	208.99	11,456.39
As at 31 March 2018	5,626.75	287.47	585.77	428.60	7,004.34	189.78	14,122.69

Note - Refer to note 35 for disclosure of contractual commitments for the acquisition of property, plant & equipment.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 3(b) : Other intangible assets

	Computer Software
<b>Cost or Deemed Cost</b>	
As at 1 April 2016	274.69
Additions	59.73
Disposal	-
As at 31 March 2017	334.42
As at 1 April 2017	334.42
Additions	147.29
Disposal	-
As at 31 March 2018	481.71
<b>Accumulated depreciation</b>	
As at 1 April 2016	-
Charge for the year	60.32
Disposals/adjustments	-
As at 31 March 2017	60.32
As at 1 April 2017	60.32
Charge for the year	69.36
Disposals/adjustments	-
As at 31 March 2018	129.68
<b>Carrying amount (net)</b>	
As at 1 April 2016	274.69
As at 31 March 2017	274.10
As at 31 March 2018	352.03

### 4(a) Non-current investments

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Investment in mutual funds (fully paid-up)</b>			
<b>(Measured at fair value through profit or loss)</b>			
Quoted			
DHFL Fixed Maturity Plan-Direct Plan - Growth- Nil units (31 March 2017: Nil units; 1 April 2016: 12,500,000 units)	-	-	1,511.76
SBI Debt Fund Series- Direct - Growth- Nil units (31 March 2017: Nil units; 1 April 2016: 530,000 units)	-	-	61.52
Reliance Mutual Fund- Fixed Horizon - Growth- 5,691,217 units (31 March 2017: 5,691,217 units; 1 April 2016: Nil units)	634.18	584.91	-
<b>Total</b>	<b>634.18</b>	<b>584.91</b>	<b>1,573.28</b>
<b>Aggregate amount of book value and market value of quoted investments</b>	<b>634.18</b>	<b>584.91</b>	<b>1,573.28</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 4(b) Current investments

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Investment in mutual funds (fully paid-up)			
(Measured at fair value through profit or loss)			
Quoted			
DHFL Fixed Maturity Plan - Direct Plan - Growth - Nil units (31 March 2017: 12,500,000 units; 1 April 2016: Nil units) #	-	1,648.69	-
DHFL Fixed Maturity Plan - Growth - Nil units (31 March 2017: Nil units; 1 April 2016: 5,000,000 units)	-	-	589.75
IDFC Ultra Short Term Fund - Daily Dividend (Direct Plan) - Nil units (31 March 2017: 47,798,788 units; 1 April 2016: 14,258,401 units)	-	4,832.84	1,433.70
SBI Debt Fund Series - Direct - Growth- Nil units (31 March 2017: 530,000 units; 1 April 2016: Nil units) #	-	67.04	-
SBI Ultra Short Term Debt Fund- Daily Dividend- Nil units (31 March 2017: 4,968.37 units; 1 April 2016: Nil units)	-	50.00	-
SBI Magnum Insta Cash Fund-Direct Plan- Growth - 76419 Units (31 March 2017: NIL units; 1 April 2016: Nil units)	29.37	-	-
ICICI Prudential Saving Fund- Direct Plan- Growth- 74,027 units (31 March 2017: NIL units; 1 April 2016: Nil units)	200.00	-	-
<b>Total (i)</b>	<b>229.37</b>	<b>6,598.57</b>	<b>2,023.45</b>
# Current portion of non-current investments			
(ii) Investment in bonds (fully paid-up)			
(Measured at amortised cost)			
Quoted			
Edelweiss Finvest Private Limited - 750 units (31 March 2017: NIL units; 1 April 2016: Nil units)	766.92	-	-
Infrastructure Leasing and Financial Services Commercial Paper - 100,000 units (31 March 2017: NIL units; 1 April 2016: Nil units)	1,276.94	-	-
India Infoline Wealth Finance Limited-90D-Commercial Paper - 100 units (31 March 2017: NIL units; 1 April 2016: Nil units)	495.90	-	-
<b>Total (ii)</b>	<b>2,539.76</b>	<b>-</b>	<b>-</b>
<b>Total (i+ii)</b>	<b>2,769.13</b>	<b>6,598.57</b>	<b>2,023.45</b>
<b>Aggregate amount of book value and market value of quoted investments</b>	<b>2,769.13</b>	<b>6,598.57</b>	<b>2,023.45</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 5(a) Loans - non-current

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>(Measured at amortised cost)</b>			
Security deposits	719.52	617.00	534.05
	<b>719.52</b>	<b>617.00</b>	<b>534.05</b>

### 5(b) Other financial assets - Non-current

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>(Measured at amortised cost)</b>			
Margin money deposits	4.65	2.75	8.41
Interest accrued on fixed deposits	0.39	0.16	1.20
	<b>5.04</b>	<b>2.91</b>	<b>9.61</b>

The deposits are pledged against :

Bank guarantees issued to sales tax and service tax authorities, and for cash credit facilities with banks.

### 6. Deferred tax assets (net)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Tax effect of items constituting deferred tax liabilities</b>			
Measurement of financial assets at fair value through profit or loss	-	146.05	124.57
	-	146.05	124.57
<b>Tax effect of items constituting deferred tax assets</b>			
Employee benefits	145.40	225.98	212.23
Provision for doubtful advances	-	16.74	-
Difference between accounting base and tax base of property, plant and equipment	743.49	676.73	646.18
Fair valuation of interest free security deposits	13.68	12.59	10.31
Measurement of financial assets at fair value through profit or loss	17.53	-	-
	<b>920.10</b>	<b>932.04</b>	<b>868.72</b>
	<b>920.10</b>	<b>785.99</b>	<b>744.15</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### Changes in deferred tax assets (net)

Particulars	1 April 2017	Recognised in other comprehensive income	Recognised in Standalone Statement of Profit and Loss	31 March 2018
<b>Liabilities</b>				
Fair valuation of financial instruments through FVTPL	146.05	-	(146.05)	-
<b>Sub-total</b>	<b>146.05</b>	<b>-</b>	<b>(146.05)</b>	<b>-</b>
<b>Assets</b>				
Employee benefits	225.98	(15.23)	(65.35)	145.40
Lifetime expected credit loss of trade receivables	16.74	-	(16.74)	-
Property, plant and equipment, investment property and other intangible assets - depreciation and amortisation	676.73	-	66.76	743.49
Fair valuation of interest free security deposits	12.59	-	1.09	13.68
Fair valuation of financial instruments through FVTPL	-	-	17.53	17.53
<b>Sub-total</b>	<b>932.04</b>	<b>(15.23)</b>	<b>3.29</b>	<b>920.10</b>
<b>Total</b>	<b>785.99</b>	<b>(15.23)</b>	<b>149.34</b>	<b>920.10</b>

Particulars	1 April 2016	Recognised in other comprehensive income	Recognised in Standalone Statement of Profit and Loss	31 March 2017
<b>Liabilities</b>				
Fair valuation of financial instruments through FVTPL	124.57	-	21.48	146.05
<b>Sub-total</b>	<b>124.57</b>	<b>-</b>	<b>21.49</b>	<b>146.05</b>
<b>Assets</b>				
Employee benefits	212.23	(8.60)	22.35	225.98
Lifetime expected credit loss of trade receivables	-	-	16.74	16.74
Property, plant and equipment, investment property and other intangible assets - depreciation and amortisation	646.18	-	30.55	676.73
Fair valuation of interest free security deposits	10.31	-	2.28	12.59
Fair valuation of financial instruments through FVTPL	-	-	-	-
<b>Sub-total</b>	<b>868.72</b>	<b>(8.60)</b>	<b>71.92</b>	<b>932.04</b>
<b>Total</b>	<b>744.15</b>	<b>(8.60)</b>	<b>50.44</b>	<b>785.99</b>

### 7. Non- current tax asset (Net)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance income tax (net of provisions)	73.89	-	-
	<b>73.89</b>	<b>-</b>	<b>-</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 8. Other non current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid lease rent	275.31	265.77	262.51
Capital advances	15.22	37.85	50.89
Value added tax recoverable (including amount paid under protest)	555.31	643.64	697.92
Service tax deposit under protest	37.69	37.69	37.69
Others	64.58	43.38	22.18
	<b>948.11</b>	<b>1,028.33</b>	<b>1,071.19</b>

### 9. Inventories

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(valued at lower of cost or net realisable value)			
Packing and accessories	160.87	216.55	216.98
Traded goods [including stock-in-transit : ₹117,723,641 (31 March 2017: ₹69,547 lacs; 1 April 2016: ₹787.77 lacs)]	30,550.33	26,701.00	20,225.73
	<b>30,711.20</b>	<b>26,917.55</b>	<b>20,442.71</b>

Note: Refer note 46 for details of write-downs of inventory. These were recognised as an expense during the year and including in changes in inventories of stock-in-trade in Statement of Profit & Loss.

### 10. Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Cash and cash equivalents as presented in cash flow statement</b>			
Balances with banks			
- Current	12.51	13.54	1.09
- Cash credit (refer note 18)	992.99	-	-
Cash in hand	368.21	272.76	203.00
	<b>1,373.71</b>	<b>286.30</b>	<b>204.09</b>

### 11. Other bank balances

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
In current account (earmarked - refer note 22)*	463.35	-	-
In unpaid dividend account (refer note 21)	0.22	0.16	0.13
Deposits with original maturity for more than 3 months but less than 12 months	-	-	17.87
Margin money deposits	121.50	5.56	205.83
	<b>585.07</b>	<b>5.72</b>	<b>223.83</b>

#### The deposits are pledged against :

Bank guarantees issued to sales tax and service tax authorities, to Skill development authority (for Deen Dayal Upadhyaya Grameen Kaushalya Yojana) and for cash credit facilities with banks.

\*During the year ended 31 March 2018, the Company was awarded a project under the 'Deen Dayal Upadhyaya - Grameen Kaushalya Yojana' ('the Grant') of the Government for encouraging youth employment. In March 2018, the Company has received the first tranche amounting to ₹463.53 lacs (previous year 31 March 2017: Nil; 1 April 2016: Nil) under the Grant from the Government, subject to terms and conditions stated therein. The Company expects to initiate the activities pre-agreed in the Grant in the subsequent financial year.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 12(a) Loans - current

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>(Measured at amortised cost)</b>			
Loans to employees	7.73	8.85	30.29
	<b>7.73</b>	<b>8.85</b>	<b>30.29</b>

### 12(b) Other financial assets - current

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>(Measured at amortised cost)</b>			
Credit card receivables	99.33	63.85	22.23
Other receivables	12.35	21.22	35.94
Interest accrued on fixed/ margin money deposits	0.21	1.16	9.45
	<b>111.89</b>	<b>86.23</b>	<b>67.62</b>

### 13. Other current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>(Unsecured considered good unless otherwise stated)</b>			
Prepaid expenses	54.64	67.79	63.31
Prepaid lease rent	52.33	54.43	49.08
Advance to vendors	397.74	179.43	670.89
Balance with government authority - Goods and Service Tax (GST)	800.37	-	-
<b>(Unsecured and considered doubtful)</b>			
Advance to vendor	-	48.37	-
Less: provision against doubtful advances	-	(48.37)	-
	<b>1,305.08</b>	<b>301.65</b>	<b>783.28</b>

### 14. Equity share capital

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Authorised</b>			
20,000,000 (31 March 2017: 20,000,000; 1 April 2016: 20,000,000) equity shares of ₹10 each	2,000.00	2,000.00	2,000.00
	<b>2,000.00</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, subscribed and paid up</b>			
18,097,355 (31 March 2017: 18,068,160; 1 April 2016: 18,066,696) equity shares of ₹10 each	1,809.74	1,806.82	1,806.67
	<b>1,809.74</b>	<b>1,806.82</b>	<b>1,806.67</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 14. Equity share capital (Contd.)

#### (a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
At the beginning of the year	1,80,68,160	1,806.82	1,80,66,696	1,806.67	1,80,15,689	1,801.57
Shares issued on exercise of Employee Stock Option Plan (ESOP)	29,195	2.92	1,464	0.15	51,007	5.10
<b>Outstanding at the end of the year</b>	<b>1,80,97,355</b>	<b>1,809.74</b>	<b>1,80,68,160</b>	<b>1,806.82</b>	<b>1,80,66,696</b>	<b>1,806.67</b>

#### (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.

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) No shares was issued as bonus shares, shares issued for consideration other than cash and shares buy back during the five years immediately preceding the reporting date except 6,606,842 bonus shares issued by capitalisation of free reserves in the year ended 31 March 2013.

#### (d) Details of equity shareholders holding more than 5% shares in the Company as at 31 March 2018

Name of the Shareholder	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
Conquest Business Services Private Limited*	74,89,798	41.38%	-	-	-	-
Mr Lalit Madangopal Agarwal	-	-	22,34,113	12.36%	22,34,113	12.37%
Ms. Sangeeta Lalji Agarwal	-	-	21,72,175	12.02%	21,72,175	12.02%
Jwalamukhi Investment Holding	17,88,102	9.88%	17,88,102	9.90%	17,88,102	9.90%
Kotak Mahindra (International) Limited	-	-	-	0.00%	17,09,002	9.46%
Ms. Uma Devi Agarwal	-	-	13,55,460	7.50%	13,55,460	7.50%
Lalit M Agarwal (HUF)	12,77,275	7.06%	12,77,275	7.07%	12,77,275	7.07%
Madan Gopal Agarwal (HUF)	-	-	10,41,675	5.77%	10,41,675	5.80%

The above information is furnished as per shareholder register as at the year end.

\*Conquest Business Services Private Limited ("Conquest"), a Promoter Company, has acquired 74,89,798 (41.38%) equity shares of the Company from the Promoter/Promoter group of the Company on 27 March 2018. The aforementioned equity shares acquired by Conquest were held with IIFL Wealth Management Limited in the brokers settlement account on 31 March 2018 on behalf of Conquest and consequently settled and credited into its demat account on 3 April 2018.

#### (e) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer note 40.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 15. Other equity

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Securities premium reserve	9,068.06	8,929.49	8,926.69
Amalgamation reserve	154.76	154.76	154.76
Retained earnings	23,550.56	16,023.64	11,638.71
Shares option outstanding account	161.02	89.07	51.11
	<b>32,934.40</b>	<b>25,196.96</b>	<b>20,771.27</b>

For movements of respective heads, refer to the Statement of Changes in Equity.

#### Description of nature and purpose of each reserve

##### Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

##### Amalgamation reserve

Amalgamation reserve pertain to business combinations which materialised prior to transition date.

##### Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

##### Share option outstanding account

The reserve is used to recognise the grant date fair value of options issued to employees under employee stock option schemes and is adjusted on exercise/forfeiture of options.

### 16. Non- current borrowings

	Non-current portion			Current maturities		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Term loan</b>						
Vehicle loans from banks (secured)	32.24	59.71	-	(27.29)	(23.29)	(5.41)
	<b>32.24</b>	<b>59.71</b>	<b>-</b>	<b>(27.29)</b>	<b>(23.29)</b>	<b>(5.41)</b>
Amount disclosed under the head "other financial liabilities" (refer note 21)	-	-	-	(27.29)	(23.29)	(5.41)
	-	-	-	(27.29)	(23.29)	(5.41)
	<b>32.24</b>	<b>59.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### (a) Details of repayment, rate of interest and security for vehicle loans:

As at 31 March 2018	Installments	Date of loan	Amount outstanding (₹)	No. of installments	Installment amount (₹)	Rate of interest	Hypothecation of
Vehicle loan - HDFC Bank	Monthly	30 March 2017	59.53	36.00	2.60	8%	Vehicle
As at 31 March 2017	Installments	Date of loan	Amount outstanding (₹)	No. of installments	Installment amount (₹)	Rate of interest	Hypothecation of
Vehicle loan - HDFC Bank	Monthly	30 March 2017	83	36.00	2.60	8%	Vehicle

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 16(a) Details of repayment, rate of interest and security for vehicle loans: (Contd.)

As at 1 April 2016	Installments	Date of loan	Amount outstanding (₹)	No. of installments	Installment amount (₹)	Rate of interest	Hypothecation of
Vehicle loan - HDFC Bank	Monthly	20 Nov 2013	2.70	36.00	0.35	11%	Vehicle
Vehicle loan - HDFC Bank	Monthly	20 Nov 2013	2.71	36.00	0.35	11%	Vehicle

### 17. Other financial liabilities - Non-current

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Lease related payables	416.66	368.39	330.70
	<b>416.66</b>	<b>368.39</b>	<b>330.70</b>

### 18. Non- current provisions

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for gratuity obligation (refer note 39)	356.85	276.55	204.78
Provision for compensated absences (refer note 39)	33.78	15.57	8.06
	<b>390.63</b>	<b>292.12</b>	<b>212.84</b>

### 19. Current borrowings

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>(Measured at amortised cost)</b>			
Cash credits from banks (secured)	-	3,487.04	2,691.13
	-	3,487.04	2,691.13
<b>Loans guaranteed by directors or relative of directors</b>			
Rupee loan from bank	-	3,046.11	2,236.08

- A (i) Fund based credit facility of ₹6,200 Lacs (31 March 2017: ₹6,200 Lacs; 1 April 2016: ₹4,200 Lacs) from State Bank of India comprising vendor financing scheme (VFS) amounting to ₹3,000 Lacs (31 March 2017: ₹3,000 Lacs; 1 April 2016: ₹3,700 Lacs), cash credit (CC) facility of ₹2,400 Lacs (31 March 2017: ₹2,400 Lacs; 1 April 2016: ₹500 Lacs) and Standby Letter of Credit (SLC) facility of ₹800 Lacs (31 March 2017: ₹800 Lacs; 1 April 2016: Nil).

These facilities carry an interest for Vendor Financing Scheme (VFS) at 3 months MCLR plus 10 basis points (0.10%) up to 90 days, 6 months MCLR plus 20 basis points (0.20%) for period above 90 days to 180 days and interest rate as applicable to CC account for outstanding more than 180 days and carries an interest rate at 1 year MCLR plus 125 basis point (1.25%) for Cash Credit as on 31 March 2018 which is repayable on demand and for SLC 1% above the applicable CC rate of interest.

The outstanding book balance as on 31 March 2018 for CC account is NIL (31 March 2017: ₹9738 Lacs; 1 April 2016: ₹246.17 Lacs), for VFS is NIL (31 March 2017: ₹2,948.73 Lacs; 1 April 2016: ₹1,989.91 Lacs) and for SLC is ₹Nil (31 March 2017: ₹Nil; 1 April 2016: ₹Nil).

- (ii) During the year, the Company has obtained cash credit facility from Axis Bank Limited comprising ₹200 Lacs (31 March 2017: Nil; 1 April 2016: Nil), this facility carries interest rate at 3 months MCLR plus 110 basis points, 1 month MCLR plus 40 basis points (0.40%) for period up to 90 days, 1 month MCLR plus 60 basis points (0.60%) for period above 90 days



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

to 180 days. The outstanding book balance as on 31 March 2018 for CC account is NIL (31 March 2017: Nil; 1 April 2016: Nil).

- (iii) Further during the year, the Company has obtain fund based facility of ₹900 Lacs (31 March 2017: Nil; 1 April 2016: Nil) from ICICI Limited comprising Working Capital Demand Loan (WCDL) amounting to ₹800 Lacs (31 March 2017: Nil and 1 April 2016: Nil) and CC cum WCDL cum FCNR facility of ₹100 Lacs (31 March 2017: Nil and 1 April 2016: Nil), this facility carries an interest for CC account at 6 month MCLR plus 95 basis point (0.95%), 3 months MCLR plus 20 basis points (0.20%) up to 3 months, 6 months MCLR plus 20 basis points (0.20%) for period above 3 months to 6 months and 1 year MCLR plus 20 basis points (0.20%) for period greater than 6 months.

The outstanding book balance as on 31 March 2018 for CC account is a debit balance disclosed in note 10 (31 March 2017: Nil; 1 April 2016: Nil), for CC cum WCDL cum FCNR account is Nil (31 March 2017: Nil; 1 April 2016: Nil).

### These facilities are secured by way of :

a. Primary – Exclusive first charge on stocks of raw material, stocks in process, finished goods, including goods in transit, all present and future book debts / receivables and other current assets of the Company.

b. Collateral –

(a) Exclusive charge on all the present and future fixed assets of the Company excluding vehicle and assets financed by other banks under financial lease and term loan.

(b) Equitable mortgage of residential property situated at Apartment No. BPB081, 8th floor, Wing No. PBO- 33 & 34, Belvedere Park, Phase II & III, DLF City, Gurgaon measuring super area 1,714 sq. feet in the name of Mr. Lalit Agarwal, Mr. Madan Gopal Agarwal and Ms. Sangeeta Agarwal.

(c) Lien on Mutual funds (in the name of the Company) of ₹424.15 lacs and market value: ₹556.56 lacs as of the date on which the facility was obtained.

Further, personal guarantees have been given by Mr. Lalit Agarwal (Managing director), Mr. Madan Gopal Agarwal (Director) and Mr. Sangeeta Agarwal (Wife of Mr. Lalit Agarwal).

- B The Company has surrendered Overdraft facility/Short term loan sanctioned by HDFC Bank Limited of ₹589.75 lacs on 08 July 2016. The Company has received "No Dues Certificate" from HDFC Bank Limited on 11 July 2016. The outstanding balance as on 31 March 2018 is of ₹Nil (31 March 2017: ₹Nil; 1 April 2016: ₹104.06 lacs).
- C Fund based cash credit facility of ₹875.88 lacs (31 March 2017: ₹875.88 lacs; 1 April 2016: ₹1,284.92 lacs) from Deutsche Bank AG carries an interest at the rate MIBOR plus 1.5% or Deutsche Bank base rate (9.20%) whichever is higher as on 31 March 2018 and is repayable on demand. The outstanding book balance as on 31 March 2018 is of Nil (31 March 2017: ₹440.93 lacs; 1 April 2016: ₹350.99 lacs)

## 20. Trade payables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Measured at amortised cost)			
Trade payables	16,678.20	15,990.29	9,564.66
	16,678.20	15,990.29	9,564.66

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 21. Other financial liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>(Measured at amortised cost)</b>			
Current maturities of long term debts (refer note 15)	27.29	23.29	5.41
Interest accrued but not due	0.36	-	-
Creditors for fixed assets	811.71	428.35	488.97
Employee related payables	504.87	314.43	408.16
Unclaimed dividend*	0.22	0.16	0.13
Lease related payables	78.94	68.39	59.76
Other liabilities	105.95	21.27	43.06
	<b>1,529.34</b>	<b>855.89</b>	<b>1,005.49</b>

\* Not due for deposit with Investor Education and Protection Fund

### 22. Other current liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Statutory liabilities	381.94	492.67	387.11
Deferred revenue	87.29	8.00	-
Deferred government grant in respect of skill development project*	463.53	-	-
	<b>932.76</b>	<b>500.67</b>	<b>387.11</b>

\*Refer note 11

### 23. Current provisions

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for gratuity	28.16	14.82	14.67
Provision for compensated absences	1.36	1.74	1.01
	<b>29.52</b>	<b>16.56</b>	<b>15.68</b>

### 24. Current tax liabilities (net)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for income tax (net of prepaid taxes)	236.90	496.15	550.04
	<b>236.90</b>	<b>496.15</b>	<b>550.04</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 25. Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products	1,22,097.32	1,00,062.83
Other operating revenue	139.87	109.72
<b>Revenue from operations (gross)</b>	<b>1,22,237.19</b>	<b>1,00,172.55</b>

### 26. Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income on items at amortised cost		
Bank deposits	1.25	13.61
Inter-corporate deposit	60.66	-
Bonds	38.82	-
Others	47.84	42.30
Dividend income	471.4	56.65
Liabilities written back	26.35	129.57
Profit on sale of investments (net)	110.39	95.54
Profit on sale of fixed assets	-	0.01
Income on investment designated at FVTPL	50.64	62.05
Miscellaneous income	31.02	14.36
	<b>414.11</b>	<b>414.09</b>

### 27. Purchase of stock in trade

	For the year ended 31 March 2018	For the year ended 31 March 2017
Purchase of traded goods	86,820.49	76,751.71
	<b>86,820.49</b>	<b>76,751.71</b>

### 28. Changes in inventories of stock-in-trade

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Inventories at the end of the year</b>		
Traded goods (including stock in transit)	30,550.33	26,701.00
Packing material and accessories	160.87	216.55
	<b>30,711.20</b>	<b>26,917.55</b>
<b>Inventories at the beginning of the year</b>		
Traded goods (including stock in transit)	26,701.00	20,225.73
Packing material and accessories	216.55	216.98
	<b>26,917.55</b>	<b>20,442.71</b>
	<b>(3,793.65)</b>	<b>(6,474.84)</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 29. Employee benefit expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	8,181.40	6,548.05
Employee compensation expense under ESOP	118.67	38.71
Contribution to provident and other funds	798.49	663.55
Staff welfare	740.49	577.64
	<b>9,839.05</b>	<b>7,827.95</b>

### 30. Other expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Rent	5,261.51	4,515.18
Power and fuel	3,370.09	2,671.26
Advertisement and sales promotion	2,619.51	2,256.30
Packing materials and expenses	691.64	672.01
Repairs and maintenance		
-Building	205.91	208.80
-Others	783.56	663.08
Commission	147.86	206.86
Security expenses	1,087.78	935.40
Communication	154.35	127.24
Travelling and conveyance	299.98	234.67
Credit card and cash collection charges	390.54	324.42
Rates and taxes	70.64	42.58
Vehicle running expenses	57.84	38.75
Fixed assets written off	41.37	26.37
Legal and professional expenses	368.83	266.11
Printing and stationery	53.72	52.52
Auditors remuneration		
- as auditor	28.08	31.05
- for reimbursement of expense	0.97	2.17
over and run expenses	3.00	-
Insurance	52.34	43.14
Loss on sale of fixed assets	4.19	-
Balances written off	54.95	67.63
Corporate social responsibility expenditure (refer note 47)	117.55	53.05
Donations others	4.70	6.78
Commission charges for Independent directors	77.79	34.66
Directors sitting fees	6.23	6.89
Miscellaneous expenses	137.80	104.93
	<b>16,092.73</b>	<b>13,591.85</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 31. Finance costs

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense	134.04	325.05
Other borrowing costs	18.85	27.37
	<b>152.89</b>	<b>352.42</b>

### 32. Depreciation and amortization expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of tangible assets	2,223.76	1,795.00
Amortisation of intangible assets	69.36	60.32
	<b>2,293.12</b>	<b>1,855.32</b>

### 33 (a) Tax expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Current tax</b>		
Current tax on profits for the year	3,733.11	2,369.68
Adjustments for current tax of prior periods	(107.51)	(27.44)
<b>Total current tax expense (a)</b>	<b>3,625.60</b>	<b>2,342.24</b>
<b>Deferred tax</b>		
Decrease/(increase) in deferred tax assets	11.94	(63.32)
(Decrease)/increase in deferred tax liabilities	(146.05)	21.48
<b>Total deferred tax expense/(benefit) (b)</b>	<b>(134.11)</b>	<b>(41.84)</b>
<b>Total income tax expense (a+b)</b>	<b>3,491.49</b>	<b>2,300.40</b>
*Comprises of :-		
Total tax expense as per SOPL	3,476.26	2,291.80
Tax expense on Other Comprehensive Income	15.23	8.60

### (b) Income tax expense for the year reconciled to the accounting profit

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Profit before tax</b>	<b>11,246.67</b>	<b>6,682.23</b>
Income tax expense calculated at 34.608%	3,892.25	2,312.59
Tax effect of amounts that are not deductible in calculating taxable expense:		
Income not considered in computation of tax expense	(16.32)	(19.60)
Permanent difference	64.61	59.00
Deduction claimed on employee benefits	(144.42)	-
Items taxable at different rate	(163.32)	-
Others	(33.79)	(24.15)
<b>Total</b>	<b>3,599.01</b>	<b>2,327.84</b>
Adjustment in respect of current income tax of previous year	(107.52)	(27.44)
<b>Income tax expense recognised in statement of profit and loss</b>	<b>3,491.49</b>	<b>2,300.40</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 34. Earnings per share

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Profit after tax</b>	7,770.41	4,390.43
Nominal value per share (₹)	10.00	10.00
Weighted average number of equity shares for basic earnings per share	<b>180.95</b>	<b>180.68</b>
Add: weighted average number of potential equity shares		
- Issuance of shares under ESOP	0.64	0.58
Weighted average number of equity shares for diluted earnings per share	<b>181.59</b>	<b>181.26</b>
<b>Earnings per share (in ₹)</b>		
Basic earnings per share	42.94	24.30
Diluted earnings per share	42.79	24.22

### 35. Contingent liabilities and Commitments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>i) Contingent liabilities</b>			
<b>(A) Tax demands in excess of provisions:</b>			
Income tax (net of provision ₹6.13 lacs (previous year: 31 March 2017: ₹6.13 lacs and 1 April 2016: Nil))	-	-	14.57
Value added tax (net of provision ₹8.66 lacs (previous year: 31 March 2017: ₹8.66 lacs and 1 April 2016: Nil))	452.18	453.29	90.63
Service tax (refer note 35 (a) below)	30.33	30.33	30.33
<b>(B) Demand under the Minimum Wages Act, 1948</b>	23.97	23.97	5.98
<b>(C) Bonus as per the Payment of Bonus (Amendment) Act, 2015 (refer note 35 (b) below)</b>	107.61	107.61	107.61
	<b>614.09</b>	<b>615.20</b>	<b>249.12</b>
<b>ii) Commitments</b>			
Estimated amount of contracts remaining to be executed on capital account and not provided for	13.90	164.03	168.04
	13.90	164.03	168.04

Further, the Company has certain litigations involving suppliers, customers, motor vehicle accident, sale tax litigations and certain inspections under the Prevention of Food Adulteration Act, 1954. Based on detailed assessments and evaluations, the management believes that no material liability will devolve on the Company in respect of these litigations.

**35 (a)** 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 (the Company being a member of such Association) has challenged the said levy and, inter-alia, its retrospective application. The Hon'ble Supreme Court has issued an interim order dated 14 October 2011, directing the members of the Association 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 the appeal. The amount of service tax on rent in respect of rented stores from 1 June 2007 till 30 September 2011 amounted to ₹108.26 lacs of which ₹77.93 lacs has been provided for in the Statement of Profit and Loss till 31 March 2017 and the balance ₹30.33 lacs has been disclosed as contingent liability.

As per directions of the Hon'ble Supreme Court, the Company, has deposited ₹37.69 lacs under protest with the concerned authorities and has disclosed this balance as "Service tax deposited under protest" under other non-current assets.

## Summary of significant accounting policies and other explanatory information

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(All amounts in ₹ lacs, unless stated otherwise)

**35 (b)** The Payment of Bonus (Amendment) Act, 2015 dated 31 December 2015 (which was made effective from 1 April 2014) revised the thresholds for coverage of employees eligible for bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognisance of the stay granted by Hon'ble High Courts of Kerala (Ernakulam), Karnataka (Bengaluru), Uttar Pradesh (Allahabad) and Madhya Pradesh (Indore) and pending disposal of such matter, the Company, in accordance with the Payment of Bonus (Amendment) Act, 2015, has only recognised an additional expense of ₹213.81 lacs for the period 1 April 2015 to 31 March 2016 during previous year ended 31 March 2016 and has not recognised the differential amount of bonus of ₹107.61 lacs for the period 1 April 2014 to 31 March 2015.

### 36. Related Party Disclosures under Ind AS-24

#### (a) List of Related Parties and nature of relationship where control exists

Name of Related Party	Nature of Relationship
Conquest Business Services Private Limited	Entity having significant influence
<b>Key Managerial Personnel</b>	
Mr. Lalit Agarwal	Managing Director
Mr. Madan Gopal Agarwal	Whole-time Director
Mr. Aakash Moondhra	Independent Directors
Mr. Murli Ramachandran	Independent Directors
Mrs. Sonal Mattoo	Independent Directors
<b>Relatives of Key Managerial Personnel*</b>	
Mrs. Sangeeta Agarwal	Wife of Mr. Lalit Agarwal
Mrs. Uma Devi Agarwal	Wife of Mr. Madan Gopal Agarwal and Mother of Mr. Lalit Agarwal
Mr. Snehal Shah	Son-in-law of Mr. Madan Gopal Agarwal
Mrs. Sunita Shah	Daughter of Mr. Madan Gopal Agarwal and Sister of Mr. Lalit Agarwal
Mr. Hemant Agarwal	Son of Mr. Madan Gopal Agarwal and Brother of Mr. Lalit Agarwal
Mrs. Smiti Agarwal	Daughter -in-law of Mr. Madan Gopal Agarwal
<b>Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel*</b>	
Lalit M Agarwal (HUF)	HUF in which Mr. Lalit Agarwal is Karta
Madan Gopal Agarwal (HUF)	HUF in which Mr. Madan Gopal Agarwal is Karta
Hemant Agarwal (HUF)	HUF in which Mr. Hemant Agarwal is Karta
Wesbok Lifestyle Private Limited	Company owned by Mr. Hemant Agarwal

\*Where transactions have occurred.



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

**36(b)** The following transactions were carried out with related parties in the ordinary course of business:

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	Year ended 31 Mar. 2018	Year ended 31 Mar. 2017	Year ended 31 Mar. 2018	Year ended 31 Mar. 2017	Year ended 31 Mar. 2018	Year ended 31 Mar. 2017
Managerial remuneration*						
Mr. Lalit Agarwal	235.02	162.86	-	-	-	-
Mr. Madan Gopal Agarwal	66.43	43.17	-	-	-	-
Post employment benefits - gratuity						
Mr. Lalit Agarwal	8.79	(0.08)	-	-	-	-
Mr. Madan Gopal Agarwal	18.55	-	-	-	-	-
Independent directors' commission						
Mr. Aakash Moondhra	29.54	13.18	-	-	-	-
Mr. Murli Ramachandran	24.32	10.85	-	-	-	-
Mrs. Sonal Mattoo	23.84	10.64	-	-	-	-
Salaries, wages and bonus						
Mr. Snehal Shah	-	-	47.95	39.47	-	-
Director sitting fees						
Mr. Aakash Moondhra	2.00	2.00	-	-	-	-
Mr. Murli Ramachandran	2.00	2.00	-	-	-	-
Mrs. Sonal Mattoo	2.00	2.00	-	-	-	-
ESOP issued						
Mr. Snehal Shah	-	-	20.82	-	-	-
Dividend paid						
Mr. Lalit Agarwal	27.93	2.23	-	-	-	-
Mr. Hemant Agarwal (non-executive director till 17 March 2016)	-	-	2.56	0.58	-	-
Mr. Madan Gopal Agarwal	8.58	0.69	-	-	-	-
Lalit Agarwal (HUF)	-	-	-	-	12.77	1.28
Hemant Agarwal (HUF)	-	-	-	-	5.30	0.42
Mr. Madan Gopal Agarwal (HUF)	-	-	-	-	13.02	1.04
Mrs. Sangeeta Agarwal	-	-	27.15	2.17	-	-
Mrs. Smiiti Agarwal	-	-	5.16	-	-	-
Mrs. Uma Devi Agarwal	-	-	16.94	1.36	-	-
Conquest Business Services Pvt. Ltd.	-	-	-	-	-	-
Purchase of traded goods						
Wesbok Lifestyle Private Limited	-	-	-	-	276.60	446.82

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

\*Managerial remuneration comprises of the following:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Remuneration (excluding post employment benefits)	113.85	91.08
Commission	153.03	82.24
Perquisites	34.57	32.72
<b>Total</b>	<b>301.45</b>	<b>206.04</b>

### 36(c) Balance at the end of year:

	Key managerial personnel			Relatives of Key managerial personnel		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Remuneration/salary payable						
Mr. Lalit Agarwal	119.74	29.83	51.42	-	-	-
Mr. Madan Gopal Agarwal	39.72	15.50	17.09	-	-	-
Independent directors' commission payable						
Mr. Aakash Moondhra	29.54	13.18	8.47	-	-	-
Mr. Murli Ramachandran	24.32	10.85	6.76	-	-	-
Mrs. Sonal Mattoo	23.84	10.64	6.69	-	-	-

	Key managerial personnel			Relatives of Key managerial personnel			Entities owned by key managerial personnel		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade payable									
Wesbok Lifestyle Private Limited	-	-	-	-	-	-	-	44.36	57.99

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 37. Fair value measurements

#### Financial instruments by category

	31 March 2018			31 March 2017			1 April 2016		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Investments									
- Bonds	-	-	2,539.76	-	-	-	-	-	-
- Mutual Funds	863.55	-	-	7,183.48	-	-	3,596.73	-	-
Loans	-	-	727.25	-	-	625.85	-	-	564.34
Cash and cash equivalents	-	-	1,373.71	-	-	286.30	-	-	204.09
Margin money deposits	-	-	589.72	-	-	8.47	-	-	232.24
Other receivable	-	-	112.28	-	-	86.39	-	-	68.82
<b>Total financial assets</b>	<b>863.55</b>	<b>-</b>	<b>5,342.72</b>	<b>7,183.48</b>	<b>-</b>	<b>1,007.01</b>	<b>3,596.73</b>	<b>-</b>	<b>1,069.49</b>
<b>Financial liabilities</b>									
Borrowings	-	-	59.89	-	-	3,570.04	-	-	2,696.54
Trade payables	-	-	16,678.20	-	-	15,990.29	-	-	9,564.66
Employee payable			504.87			314.43			408.16
Capital creditors	-	-	811.71	-	-	428.35	-	-	488.97
Other payables	-	-	601.77	-	-	458.21	-	-	433.65
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>18,656.44</b>	<b>-</b>	<b>-</b>	<b>20,761.32</b>	<b>-</b>	<b>-</b>	<b>13,591.98</b>

#### (i) Fair value hierarchy

Financial assets and liabilities measured at fair value-recurring fair value measurements at 31 March 2018	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial investments at FVTPL				
Mutual funds -growth plan	863.55	-	-	863.55
Mutual funds -dividend plan	-	-	-	-
<b>Financial assets and liabilities measured at fair value-recurring fair value measurements at 31 March 2017</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Financial investments at FVTPL				
Mutual funds-growth plan	2,300.64	-	-	2,300.64
Mutual funds-dividend plan	4,882.84	-	-	4,882.84
<b>Financial assets and liabilities measured at fair value-recurring fair value measurements at April 1, 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Financial investments at FVTPL				
Mutual funds -growth plan	2,163.03	-	-	2,163.03
Mutual funds -dividend plan	1,433.70	-	-	1,433.70

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed traded mutual funds that have quoted price. The mutual funds are reported using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(ii) Specific valuation techniques used to value financial instruments include the use of quoted market prices and NAV of the instrument.

(iii) Fair value of financial assets and liabilities measured at amortised cost

	31 March 2018		31 March 2017		1 April 2016	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial Assets</b>						
<b>Loans</b>						
Security deposits	719.52	719.52	617.00	617.00	534.05	534.05

The carrying amount of trade receivables, trade payables, capital creditors, borrowing, employee payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 38. Financial Instruments

#### A. Capital Risk Management

The Company's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The Company determines the amount of capital required on the basis of an annual budget and a five year plan, including, for working capital, capital investment in stores and technology. The Company's funding requirements are met through internal accruals and a combination of both long-term (Vehicle loans only) and short-term borrowings.

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarises the capital of the Company:

Capital	As at 31 March 2018	As at 31 March 2017
Long term borrowings (including current maturities)	59.53	83.00
Short term borrowings	-	3,487.04
Less: Cash and cash equivalents	(1,373.71)	(286.30)
Total debt	(1,314.18)	3,283.74
Equity share capital	1,809.74	1,806.82
Other equity	32,934.40	25,196.96
Total equity	34,744.14	27,003.78
Gearing ratio	-3.78%	12.16%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

#### B. Financial Risk Management

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Company's operational and financial performance.

##### B.1 Market risk :

Market Risk is the risk that changes in market place could affect the future cash flows to the Company. The market risk for the Company arises primarily from interest rate risk and product price risk.

**i) Interest risk:** The Company is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Company uses available working capital limits for availing short term cash credits. The Company mitigates the same through efficient use of working capital limits and regular monitoring of Interest Coverage ratio. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

**ii) Product price risk:** In a potentially inflationary economy, the Company expects periodical price increases across its retail product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/retail sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to retail customers to sustain volumes. The Company negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Company protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### Liquidity risk :

Liquidity risk is a risk that the Company may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks. Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Company's financial liabilities based on contractual undiscounted cash flows :-

	Less than 1 year	Between 1 and 5 years	More than 5 years	Carrying amounts
<b>As at 31 March 2017</b>				
Borrowings (non current and current)	3,510.33	59.71	-	3,570.04
Interest payable	-	-	-	-
Trade payables and other accruals	16,822.89	186.03	182.36	17,191.28
<b>As at 31 March 2018</b>				
Borrowings (non current and current)	27.29	32.24	-	59.53
Interest payable	0.36	-	-	0.36
Trade payables and other accruals	18,179.89	216.10	200.56	18,596.55

The Company has access to following financing facilities which were undrawn as at the end of reporting periods mentioned :-

Undrawn financing facility	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Secured working capital facilities</b>			
Amount used	-	3,487.04	2,691.13
Amount unused	9,075.88	4,178.59	2,793.79
<b>Total</b>	<b>9,075.88</b>	<b>7,665.63</b>	<b>5,484.92</b>
<b>Unsecured working capital facilities</b>			
Amount used	-	-	-
Amount unused	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

### B.2 Credit risk

i) Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are also set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company considers reasonable and supportive forward-looking information.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

The Company provides for 12 month expected credit losses for the following financial assets -

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
<b>As ar 31 March 2018</b>			
Investments	3,403.31	-	3,403.31
Loans	727.25	-	727.25
Cash and cash equivalents	1,373.71	-	1,373.71
Margin money deposits	589.72	-	589.72
Other receivable	112.28	-	112.28
<b>Total financial assets</b>	<b>6,206.27</b>	<b>-</b>	<b>6,206.27</b>

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
<b>As ar 31 March 2017</b>			
Investments	7,183.48	-	7,183.48
Loans	625.85	-	625.85
Cash and cash equivalents	286.30	-	286.30
Margin money deposits	8.47	-	8.47
Other receivable	86.39	-	86.39
<b>Total financial assets</b>	<b>8,190.49</b>	<b>-</b>	<b>8,190.49</b>

### ii) Concentration of financial assets

The Company's principal business activities are of retailing in consumer care and food products. All financial assets pertain to the retail business.

## 39 . Employee Benefits

### Employee benefit obligations

	31 March 2018			31 March 2017			1 April 2016		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Contribution to provident fund	53.95	-	53.95	44.10	-	44.10	35.82	-	35.82
Gratuity	28.16	356.85	385.01	14.82	276.55	291.37	14.67	204.78	219.45
Leave obligations	1.36	33.78	35.14	1.74	15.57	17.31	1.01	8.06	9.07
<b>Total employee benefit obligations</b>	<b>83.47</b>	<b>390.63</b>	<b>474.10</b>	<b>60.66</b>	<b>292.12</b>	<b>352.78</b>	<b>51.50</b>	<b>212.84</b>	<b>264.34</b>



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### (a) Balance sheet amounts- Gratuity

The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation
<b>Balance as at 1 April 2016</b>	<b>219.45</b>
Current service cost	92.38
Interest expense/(income)	17.56
<b>Total amount recognised in profit or loss</b>	<b>109.93</b>
Remeasurements	
(Gain)/loss from change in demographic assumptions	(8.15)
(Gain)/loss from change in financial assumptions	2.20
Experience (gains) / losses	(21.82)
<b>Total amount recognised in other comprehensive income</b>	<b>(27.76)</b>
Benefit payments	(10.25)
<b>Balance as at 31 March 2017</b>	<b>291.37</b>
<b>Balance as at 1 April 2017</b>	<b>291.37</b>
Current service cost	113.38
Past service cost	19.19
Interest expense/(income)	22.40
<b>Total amount recognised in profit or loss</b>	<b>154.97</b>
Remeasurements	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(6.74)
Experience (gains)/losses	(37.27)
<b>Total amount recognised in other comprehensive income</b>	<b>(44.01)</b>
Benefit payments	(17.29)
<b>Balance as at 31 March 2018</b>	<b>385.04</b>

The net liability disclosed above relates to unfunded plans are as follows:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of funded obligations	385.01	291.37	219.45
<b>Unfunded Provision</b>	<b>385.01</b>	<b>291.37</b>	<b>219.45</b>

### (b) Assumptions:

#### 1. Economic assumptions

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.80%	7.69%	8.00%
Salary growth rate	4.75%	4.75%	5.00%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The salary escalation rate is based on estimates of salary increases, which takes into account inflation, promotion and other relevant factors.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 2. Demographic assumptions:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Retirement age	60	60	58
Withdrawal rate, based on age			
Upto 30 years	3	3	3
From 31 to 44 years	2	2	2
Above 44 years	1	1	1
Mortality rate	100% of IALM	100% of IALM	100% of IALM

### (c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Discount rate	- / +1%	-	331.10	-	453.31	-
Salary growth rate	- / +1%	-	452.82	-	331.02	-
Attrition Rate	- / + 50%	-	404.73	-	360.73	-
Mortality Rate	- / + 10%	-	385.75	-	384.28	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### (d) Risk exposure

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Weighted average duration (based on discounted cashflows)	17.00 years	22.86 years	21.53 years

### (e) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

**Interest rate risk:** The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity risk:** This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary escalation risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Detailed information to the extent provided by the actuary in the actuarial certificate has been included in the disclosure given above.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 40. Share Based Payments

#### Employee Stock Options (ESOP)

The Company has implemented an Employee Stock Option Scheme, which was approved by the Board of Directors and the shareholders vide resolution dated 02 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.

(a) Below are the details in respect of ESOPs granted till 31 March 2018:

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI
Grant date	20-Jul-12	05-Jan-15	28-Dec-15	30-Jan-17	12-Jul-17	09-Nov-17
ESOPs granted	1,53,252	22,350	13,645	76,225	6,395	9300
Exercise price (in ₹)	₹150.00	₹450.00	₹573.00	₹470.00	₹900.00	₹1260.00
Vesting option (in Nos.):						
-on the completion of 12 months	45,975	6,705	4,093	22,867	1,918	2,790
-on the completion of 24 months	45,975	6,705	4,093	22,867	1,919	2,790
-on the completion of 36 months	61,302	8,940	5,459	30,491	2,558	3,720
Market value of equity shares on the date of grant (in ₹)	₹150.00	₹539.30	₹586.30	₹522.35	₹1243.90	₹1412.60

The vesting of options is subject to the continued employment of the grantee over the vesting period. The options granted can be exercised after vesting at any time before the expiry of eight years from the grant date.

(b) The relevant details in respect of V-Mart ESOP Scheme 2012 are summarised below:

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of options	Weighted average price	Number of options	Weighted average price	Number of options	Weighted average price
a. Outstanding at the beginning of the year	1,21,572	442.15	51,341	393.02	90,477	224.11
b. Granted during the year	15,695	1,113.32	76,225	470.00	13,645	573.00
c. Exercised during the year	29,195	324.60	1,464	150.00	51,007	150.00
d. Forfeited during the year	10,853	470.00	4,530	450.00	1,774	150.00
e. Expired during the year	-	-	-	-	-	-
f. Outstanding at the end of the year	97,219	635.08	1,21,572	442.15	51,341	393.02
g. Exercisable at the end of the year	28,557	479.53	29,196	439.89	22,051	241.22
h. No. of equity shares of ₹10 each fully paid up to be issued on exercise of option	97,219	635.08	1,21,572	442.15	51,341	393.02
i. Weighted average remaining contractual life (in years)	-	6.68	-	6.89	-	6.29

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

(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	Grant III	Grant IV	Grant V	Grant VI
Risk free interest rates (in %)	8.42	8.32	8.16	7.93	7.80	7.64
Expected life (in years)	4 years	4 years	4 years	4 years	4 years	4 years
Volatility (in %)	25%	41%	38.74%	30.13%	42.48%	50.76%
Dividend yield (in %)	0.27%	0.20%	0.20%	0.24%	0.18%	0.10%
Weighted average exercise price (₹)	150.00	450.00	573.00	470.00	900.00	1,260.00
Weighted average fair value of stock option (₹)	50.89	263.00	248.00	211.00	673.00	727.00

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not also necessary be the actual outcome.

### 41. Lease Commitments

#### A. Non-cancellable operating leases

The premises are taken on lease for a lease term ranging from nine years to fifteen 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 over the lease term are as under:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Payable within 1 year	3,129.71	2,948.51	2,850.09
Payable between 1-5 years	11,078.48	10,758.56	10,917.64
Payable after 5 years	4,925.94	6,361.00	6,914.29
	<b>19,134.13</b>	<b>20,068.07</b>	<b>20,682.02</b>

### 42. Offsetting financial assets and financial liabilities

	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
<b>31 March 2018</b>						
<b>Financial liabilities</b>						
Borrowings	59.53	-	59.53	-	189.77	-
<b>31 March 2017</b>						
<b>Financial liabilities</b>						
Borrowings	83.00	-	83.00	-	208.64	-
<b>April 1, 2016</b>						
<b>Financial liabilities</b>						
Borrowings	5.41	-	5.41	-	109.80	-

Collateral against borrowings

The company has pledged financial instruments as collateral against a number of its borrowings. Refer to Note 44 for further information on financial and non-financial collateral pledged as security against borrowings.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 43. Operating Segments

In the opinion of the management, there is only one reporting segment "Retail Sales" as envisaged by Ind As 108 "Operating Segments". The Company is operating only in India and there is no other significant geographical segment.

### 44. Assets pledged as security

The carrying amounts of asset pledged as security for current and non-current borrowings are:

	31 March 2018	31 March 2017	1 April 2016
<b>Current</b>			
<b>Financial assets</b>			
i) Investments	29.37	1,715.73	2,163.03
ii) Cash & cash equivalent	1,373.71	286.30	204.09
iii) Bank balances	585.07	5.72	223.83
iv) Other financial assets	-	-	-
<b>Non-financial assets</b>			
i) Inventories	30,711.20	26,917.55	20,442.71
<b>Total current assets pledged as security</b>	<b>32,699.35</b>	<b>28,925.30</b>	<b>23,033.66</b>
<b>Non-current</b>			
<b>Financial assets</b>			
i) Investments	634.18	-	1,573.28
i) Other financial assets	5.04	2.91	9.61
<b>Non-financial assets</b>			
i) Vehicles	189.78	208.99	109.80
<b>Total non-current assets pledged as security</b>	<b>829</b>	<b>211.90</b>	<b>1,692.69</b>
<b>Total assets pledged as security</b>	<b>33,528.35</b>	<b>29,137.20</b>	<b>24,726.35</b>

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 45. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

Particulars	31 March 2018	31 March 2017	1 April 2016
i) Principal amount due to suppliers under MSMED Act	80.49	162.33	26.36
ii) Interest accrued and due to suppliers under MSMED Act on the above amount	2.17	-	-
iii) Payment made to suppliers (other than interest) beyond appointed day during the year	-	-	-
iv) Interest paid to suppliers under MSMED Act	-	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-
v) Interest due and payable to suppliers under MSMED Act towards payments already made	-	-	-
vi) Interest accrued and remaining unpaid at the end of the accounting year	-	-	-
vii) 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.	-	-	-
	-	162.33	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

**46.** During the year, few cases of misappropriation of inventory involving employees at certain stores was identified by the management, the impact of which is included under the consumption of stock-in-trade. Such stock write off of ₹1,597.38 lacs (previous year ₹1,449.46 lacs) includes write offs on account of damaged inventory, shrinkages in transit and misappropriation of inventory by employees, among others. Whilst it is not possible to quantify the impact owing to such misappropriation, management believes that the impact thereof is not material to the financial statements. Further, the management has taken steps to reduce such instance which have yield positive results.

Further, during the current year, a robbery incident occurred at Sarsaram, i.e., one of stores of the Company. During the robbery, gunman looted cash and clothes from the said store worth ₹13.80 lacs. The Company has filed an FIR with the police for such robbery and basis the initial police investigation, the suspicion of planning the entire robbery primarily is on two of the employees of the Company. Based on such preliminary investigation, the management has suspended both the employees.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

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### 47. Corporate social responsibility

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 ₹107.83 lacs towards CSR activities during the year ended 31 March 2018. The detail of amount spent is as follows:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Amount required to be spent as per section 135 of the Act	107.83	88.92
Amount spent during the year on		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	117.55	53.05

### 48. Disclosure required under Section 186 (4) of the Companies Act 2013

Particulars of interest bearing inter-company deposits given:

Name of the party	Opening Balance	Loan Given	Loan Repayment	Outstanding balance	Purpose
KARVY Data Management Services Limited	-	2,000.00	2,000.00	-	General business purpose

### 49. Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, pursuant to Ministry of Corporate Affairs (MCA) notification GSR 308 ( E ) dated 30 March 2017

Particulars	Opening Balance	Loan Given	Loan Repayment
Closing cash in hand as on 8 November 2016	318.91	35.23	354.14
Add: permitted receipts	-	9,689.88	9,689.88
Less: permitted payments	-	(2,277.71)	(2,277.71)
Less: amount deposited in banks	(318.91)	(7,181.67)	(7,500.58)
Closing cash in hand as on 30 December 2016	-	265.73	265.73

### 50. Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	Non-current borrowings	Current borrowings	Equity share capital	Total
Net debt as at 01 April 2016	-	5.41	1,806.67	1,812.08
Proceeds from issue of equity share capital	-	-	0.15	0.15
Proceeds from non-current borrowings (including current maturities) (net)	59.71	23.29	-	83.00
Repayment of current borrowings (net)	-	(5.41)	-	(5.41)
Net debt as at 31 March 2017	59.71	23.29	1,806.82	1,889.82
Net debt as at 01 April 2017	59.71	23.29	1,806.82	1,889.82
Proceeds from issue of equity share capital	-	-	2.92	2.92
Proceeds from non-current borrowings (including current maturities) (net)	-	-	-	-
Proceeds of current borrowings (net)	-	-	-	-
Repayment of current borrowings (net)	-	(23.29)	-	(23.29)
Current maturities of long-term debt	(27.29)	27.29	-	-
Net debt as at 31 March 2018	32.42	27.29	1,809.74	1,869.45



## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 51. First time adoption of Ind AS

#### Explanations of transition to Ind AS

As stated in note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in note 2 have been applied in preparing these financial statements for the year ended 31 March 2018, including for the comparative information presented in these financial statements for the year ended 31 March 2017 and the opening Ind AS balance sheet as on the date of transition, i.e., 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

#### A. Ind AS Optional exemptions and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions:-

##### a) Optional exemptions availed

##### 1. Fair valuation of property plant and equipment, and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;

- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to measure the items of property, plant and equipment and intangible assets, at the date of transition at its fair value and use that fair value as its deemed cost at that date.

##### 2. Lease arrangements

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. Accordingly, the Company has elected to assess all the contracts existing at the date of transition to Ind AS.

##### 3. Share based payments

Ind AS 102 Share based payments requires an entity to record the options on their fair value instead of intrinsic value. Ind AS 101 permits a first time adopter to ignore such requirement for the options already vested as on transition date. The Company has elected to apply this exemption for such vested options.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### 4. Business combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

### b) Mandatory exceptions

#### 1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

#### 2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that existed on the date of transition.

### B. Reconciliations between previous GAAP and Ind AS

#### 1. Reconciliations of equity

Particulars	Notes	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	7	12,750.83	(1,294.44)	11,456.39	10,755.33	(1,622.75)	9,132.58
Capital work in progress	5	122.06	(5.95)	116.10	234.56	(13.79)	220.77
Intangible assets		274.19	(0.09)	274.10	274.78	(0.09)	274.69
Financial assets							
Investments	1	575.84	9.07	584.91	1,303.00	270.28	1,573.28
Loans	4	972.84	(355.84)	617.00	875.42	(341.37)	534.05
Other financial assets		2.91	-	2.91	9.61	(0.00)	9.61
Deferred tax assets (net)		704.25	81.74	785.99	422.05	322.10	744.15
Other non current assets		762.57	265.76	1,028.33	808.68	262.51	1,071.19
<b>Total non-current assets</b>		<b>16,165.48</b>	<b>(1,299.74)</b>	<b>14,865.73</b>	<b>14,683.44</b>	<b>(1,123.12)</b>	<b>13,560.32</b>
<b>Current assets</b>							
Inventories		26,917.55	-	26,917.55	20,442.71	(0.00)	20,442.71
Financial assets							
Investments	1	6,185.87	412.70	6,598.57	1,933.70	89.75	2,023.45

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### B. Reconciliations between previous GAAP and Ind AS (Contd.)

#### 1. Reconciliations of equity

Particulars	Notes	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Cash and cash equivalents		286.30	-	286.30	204.09	(0.00)	204.09
Other bank balances		6.88	(1.16)	5.72	233.27	(9.44)	223.83
Loans		8.85	-	8.85	30.29	-	30.29
Other financial assets		63.85	22.38	86.23	22.23	45.39	67.62
Other current assets		268.44	33.21	301.65	770.14	13.14	783.28
<b>Total current assets</b>		<b>33,737.74</b>	<b>467.13</b>	<b>34,204.87</b>	<b>23,636.43</b>	<b>138.84</b>	<b>23,775.27</b>
<b>Total Assets</b>		<b>49,903.22</b>	<b>(832.61)</b>	<b>49,070.60</b>	<b>38,319.86</b>	<b>(984.27)</b>	<b>37,335.59</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
Equity share capital		1,806.82	-	1,806.82	1,806.67	-	1,806.67
Other equity		25,227.06	(30.10)	25,196.96	21,265.30	(494.03)	20,771.27
<b>Total equity</b>		<b>27,033.88</b>	<b>(30.10)</b>	<b>27,003.78</b>	<b>23,071.97</b>	<b>(494.03)</b>	<b>22,577.94</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
Financial liabilities							
Borrowings		59.71	-	59.71	-	-	-
Other financial liabilities		-	368.39	368.39	-	330.70	330.70
Provisions	5	1,475.96	(1,183.84)	292.12	1,051.52	(838.68)	212.84
<b>Total non-current liabilities</b>		<b>1,535.67</b>	<b>(815.45)</b>	<b>720.22</b>	<b>1,051.52</b>	<b>(507.98)</b>	<b>543.54</b>
<b>Current liabilities</b>							
Financial liabilities							
Borrowings		3,487.04	-	3,487.04	2,691.13	-	2,691.13
Trade payables		15,990.29	-	15,990.29	9,564.66	-	9,564.66
Other financial liabilities		766.07	89.83	855.89	902.59	102.90	1,005.49
Other current liabilities		574.77	(74.10)	500.67	429.62	(42.51)	387.11
Provisions	5	72.02	(55.46)	16.56	81.96	(66.28)	15.68
Current tax liabilities (net)		443.48	52.67	496.15	526.41	23.63	550.04
<b>Total current liabilities</b>		<b>21,333.67</b>	<b>12.94</b>	<b>21,346.60</b>	<b>14,196.37</b>	<b>17.74</b>	<b>14,214.11</b>
<b>Total liabilities</b>		<b>22,869.34</b>	<b>(802.51)</b>	<b>22,066.82</b>	<b>15,247.89</b>	<b>(490.24)</b>	<b>14,757.65</b>
<b>Total equity and liabilities</b>		<b>49,903.22</b>	<b>(832.61)</b>	<b>49,070.60</b>	<b>38,319.86</b>	<b>(984.27)</b>	<b>37,335.59</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### B. Reconciliations between previous GAAP and Ind AS (Contd.)

#### 2. Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>Income</b>				
Revenue from operations		1,00,172.55	-	1,00,172.55
Other income	1 and 4	308.99	105.10	414.09
<b>Total revenue</b>		<b>1,00,481.54</b>	<b>105.10</b>	<b>1,00,586.64</b>
<b>Expenses</b>				
Purchase of stock-in-trade		76,732.40	19.31	76,751.71
Changes in inventories of stock-in-trade		(6,474.84)	-	(6,474.84)
Employee benefits expense	3 and 6	7,771.40	56.55	7,827.95
Other expenses	4 and 5	13,885.40	(293.55)	13,591.85
<b>Total expenses</b>		<b>91,914.36</b>	<b>(217.69)</b>	<b>91,696.67</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>8,567.18</b>	<b>322.79</b>	<b>8,889.97</b>
Finance costs		352.42	-	352.42
Depreciation and amortisation expense	7	2,202.02	(346.70)	1,855.32
<b>Profit before tax</b>		<b>6,012.74</b>	<b>669.49</b>	<b>6,682.23</b>
<b>Income tax expense</b>				
Current tax		2,342.24	-	2,342.24
Deferred tax		(282.20)	231.76	(50.44)
<b>Profit for the year</b>		<b>3,952.70</b>	<b>437.73</b>	<b>4,390.43</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of post employment benefit obligations		-	24.86	24.86
Income tax relating to these items		-	(8.60)	(8.60)
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>24.86</b>	<b>16.25</b>
<b>Total comprehensive income for the year</b>		<b>3,952.70</b>	<b>462.59</b>	<b>4,406.69</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### B. Reconciliations between previous GAAP and Ind AS (contd.)

#### 3. Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes	As at 31 March 2017	As at 1 April 2016
<b>Total equity as per previous GAAP</b>		27,033.88	23,071.97
<b>Adjustments</b>			
Reversal of dividend proposed	2	-	18.07
Reversal of dividend distribution tax	2	-	3.68
Rent expense adjustment - escalations/rent free periods	5	1,040.97	770.67
Depreciation impact on fair valuation as deemed cost (on transition date) for property, plant and equipment	7	(1,538.86)	(1,938.71)
Rent expense recognised on account of fair valuation of interest free security deposits	4	(156.06)	(191.75)
Measurement of financial assets at amortised cost	4	119.67	161.97
Measurement of financial assets at fair value through profit or loss	1	421.99	359.94
Tax impact of above adjustments		81.43	322.10
<b>Total adjustments</b>		<b>(30.86)</b>	<b>(494.03)</b>
<b>Total equity as per Ind AS</b>		<b>27,003.02</b>	<b>22,577.94</b>

#### 4. Reconciliation of total comprehensive income for March 31 2017

Particulars	Notes	As at 31 March 2017
<b>Net profit as per previous GAAP</b>		3,952.70
<b>Adjustments</b>		
Rent expense adjustment - escalations/rent free periods	5	270.30
Depreciation impact on fair valuation as deemed cost (on transition date) for property, plant and equipment	7	399.85
Rent expense recognised on account of fair valuation of interest free security deposits	4	(48.90)
Measurement of financial assets at amortised cost	4	43.05
Measurement of financial assets at fair value through profit or loss	1	62.05
Share based payment cost measured at fair value	6	(31.69)
Tax impact of above adjustments		(240.67)
<b>Total adjustments</b>		<b>453.99</b>
<b>Total comprehensive income for the year ended 31 March 2017</b>		<b>4,406.69</b>

5. The transition to Ind AS as above did not have any material impact on the cash flow activities of the Company as reported under Previous GAAP.

## Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

### C. Notes to first-time adoption

#### 1. Fair valuation of investments

Under the previous GAAP, long-term investments were carried at cost less provision for permanent decline in the value of such investments. Current investments were carried at lower of cost and market value. The Company has made investments in certain mutual funds such as FMPs, Debt funds, Short term funds etc. Under Ind AS, these investments are measured at fair value through profit and loss (FVTPL). The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently, in the profit or loss.

#### 2. Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings.

#### 3. Remeasurements of post-employment benefit obligations

Under the previous GAAP, actuarial gains and losses on employee defined benefit obligations were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income. This has resulted in a reclassification between profit or loss and other comprehensive income.

#### 4. Security deposits

Under the previous GAAP, rent expenses including rent escalations and rent free period were recorded on a straight-line basis over the lease term. However, Ind-AS 17 permits the Company to ignore straight-lining of rent expense in case escalation reflects expected inflationary cost increases. Accordingly, the Company has reversed the lease equalisation reserve to the extent it pertains to rent escalations since it considers increases in rent largely to be consistent with the inflation rate.

#### 5. Lease equalization reserve

Under the previous GAAP, rent expenses including rent escalations and rent free period were recorded on a straight-line basis over the lease term. However, Ind-AS 17 permits the Company to ignore straight-lining of rent expense in case escalation reflects expected inflationary cost increases. Accordingly, the Company has reversed the lease equalisation reserve to the extent it pertains to rent escalations since it considers increases in rent largely to be consistent with the inflation rate.

#### 6. Fair valuation of ESOP

Under the previous GAAP, equity settled employee share-based payments were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled employee share-based payments is recognised based on the fair value of options as on the grant date. The effect of these is reflected in total equity and/ or profit or loss as applicable.

#### 7. Fair valuation of Property, Plant and Equipment

Under the previous GAAP, fixed assets were carried at historical cost less accumulated depreciation. Under Ind AS, the Company has elected to measure the items of property, plant and equipment and intangible assets, at the date of transition at its fair value and use that fair value as its deemed cost at that date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants

per **Anupam Kumar**  
Partner

**Place:** Gurugram  
**Date:** 24 May 2018

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

**Madan Gopal Agarwal**  
Director  
DIN No. 02249947

**Anand Agarwal**  
Chief Financial Officer  
ADDDPA0633P

**Lalit Agarwal**  
Managing Director  
DIN No. 00900900

**Megha Tandon**  
Company Secretary  
Membership No. A35532







## V-MART RETAIL LIMITED

(CIN - L51909DL2002PLC163727)

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

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

Tel.: 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 SIXTEENTH ANNUAL GENERAL MEETING of the Company held on Friday, the 29th day of June, 2018 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 : DP ID/HOLDER\_FOL

\*Applicable for Members holding shares in dematerialised form.

Note: To be signed and handed over at the entrance of the Meeting Venue





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### Form No. MGT - 11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : V-MART RETAIL LIMITED

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

Name of the Member(s) :

Registered Address :

E-mail Id :

Folio No./Client ID :

DP ID :

I/We, \_\_\_\_\_ being a Member(s) of V-Mart Retail Ltd., hereby appoint :

- Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him
- Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him
- Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

as my / our proxy to attend and vote (on poll) for me/us and on my/our behalf at the SIXTEENTH ANNUAL GENERAL MEETING of the Company to be held on Friday, the 29th day of June, 2018 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	To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon		
2	To declare a dividend at the rate of ₹2/- per equity share for the financial year 2017-18		
3	To appoint a Director in place of Mr. Madam Gopal Agarwal (DIN 02249947), who retires by rotation and being eligible, offers himself for re-appointment		
4	To appoint M/s S.R. Batliboi & Co. LLP (ICAI Firm Registration Number: 301003E/E300005) as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of 21st Annual General Meeting of the Company and to fix their remuneration		
Special Business			
5	To consider and approve the holding of office of place of profit by Mr. Snehal Shah		

Signed on \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Affix a  
Revenue  
Stamp

#### NOTE :

In order to be effective the Proxy should be duly filled, signed and stamped and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed 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. Use the following URL for e-voting from KARVY website: <http://evoting.karvy.com>
2. Shareholders of the Company holding shares either in physical form or in dematerialised form, as on the record date, may cast their vote electronically.
3. Enter the login credentials [i.e., user id and password mentioned overleaf]. In case of physical folio, User ID will be EVENT number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
4. After entering the details appropriately, click on LOGIN.
5. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. You need to login again with the new credentials.
7. On successful login, the system will prompt you to select the EVENT i.e. V-Mart.
8. On the voting page, enter the number of shares as on the cutoff date under "FOR/AGAINST" or alternately you may enter partially any number in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed the total shareholding. You may also choose the option "ABSTAIN" if the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
9. Institutional Shareholders (i.e. Members other than individuals, HUF, NRIs etc.) are required to send a scanned copy of the Board Resolution/authority letter to the Scrutiniser via email at [scrutinizer.vmart@gmail.com](mailto:scrutinizer.vmart@gmail.com) with copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
10. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 21st June 2018, may obtain the User ID and password in the manner as mentioned below:
  - o If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - o Member may call Karvy's toll free number 1-800-3454-001.
  - o Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
11. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
12. Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution.
13. Once the vote on the Resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
14. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members shall be available at the download section of <http://evoting.karvy.com> or contact KARVY at Tel No 1800 345 4001 (toll free).
15. 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).
16. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
17. The Portal will remain open for voting from 9.00 a.m. on 26th June, 2018 to 5:00 p.m. on 28th June 2018 (both days inclusive).
18. 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.
19. The Scrutiniser shall immediately after the conclusion of the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutiniser shall submit a consolidated Scrutiniser's Report of the total votes cast in favor of or against, if any, not later than three days after the conclusion of the AGM to the Chairperson of the Company. The Chairperson or any other person authorised by the Chairperson, shall declare the result of the voting forthwith.
20. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutiniser's report shall be placed on the website of the Company [www.vmart.co.in](http://www.vmart.co.in) and on the website of KARVY <https://evoting.karvy.com> within three days of passing of the Resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed, for placing the same in their website.



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BHAVISHYA

PRICE • LESS • EDUCATION



# V-MART GIVES WINGS TO YOUR DREAMS

पूरा होगा  
उज्ज्वल भविष्य  
का अरमान

The Ujjwal Bhavishya scholarship program of V-mart is for the financially weaker students who leave education due to lack of financial support. V-mart will be giving Ujjwal Bhavishya scholarships to bright students from the underprivileged class to realize their dreams of a brighter tomorrow.



## — Parameters for Scholarship Program —

- Should have passed 10th in the year 2018 from UP/CBSE / ISCE + AICTE approved schools or any other government recognized schools
- Should have scored ore than 85% marks in 10th standards
- Annual Family Income should be less than ₹2 Lakh
- Candidate should be less than 15 years of age
- Should have passed 10th Standard in 1st attempt

**Registration open: Till 15<sup>th</sup> JULY, 2018**

**For more information to contact:**

**Ph. No.:** +91 76665 54206 | **Email ID:** [ujjwal.bhavishya@vmart.co.in](mailto:ujjwal.bhavishya@vmart.co.in)  
or **Log on:-** [www.vmart.co.in/ujjwal-bhavishya](http://www.vmart.co.in/ujjwal-bhavishya)

