V MART

Making JOYFUL LIVING AFFORDABLE

2021-22 Annual Integrated Report



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To view this report online, please visit: www.vmartretail.com

OUR APPROACH TO REPORTING

V-Mart Retail Limited presents its 20th Annual and 3rd Integrated Report, showcasing the Company's business operations and performance and its stakeholder value creation approach and business model. The report also details how the Company's strategic planning and execution create value over short, medium, and long term.

SCOPE AND BOUNDARY OF REPORT

This Integrated Annual Report covers the Company's financial reporting. Besides, it includes non-financial performance, opportunities, strategic objectives, risks, and outcomes relating to our key stakeholders.

Our business model is centred around our long-term stakeholder relationships, in line with our strategic approach of being a value retailer focussed on fashion apparel, and merchandise for home and daily household needs. We follow comprehensive social, ethical, and environmental policies and practices to effectively manage our broader business impact.

REPORTING FRAMEWORK

The Company has been publishing a statutory Annual Report, in line with the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; Companies Act, 2013; and Secretarial Standards. Based on the principles of the International Integrated Reporting Framework (referred to as the <IR> framework) developed by the International Integrated Reporting Council (IIRC), we shifted to Annual Integrated Reporting in 2019-20, and have been publishing the same since then.

REPORTING PERIOD

The financial information contained in this report pertains to the period April 1, 2021 to March 31, 2022 (unless otherwise stated). We have incorporated comparative figures on the financial, operating and stakeholder metrics for the last three to five years to provide a holistic view to the stakeholders.

OUR APPROACH TO MATERIALITY

We have identified our material issues as the ones that significantly impact our ability to create value for our stakeholders. We consider an issue to be material if it has the potential to have considerable impact on our business viability, social relevance, as well as the quality of relationships with our stakeholders. The economic, social and environmental context in which we operate also influences and affects our material issues.

MANAGEMENT ASSURANCE

To drive the governance oversight on material disclosures, the contents of this Report have been reviewed by the senior management of the Company.

FORWARD-LOOKING STATEMENTS

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations. These are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions.

Making JOYFUL LIVING AFFORDABLE

At V-Mart, we believe that the journey of joyful living begins with the people of India. It is all about what makes them feel good, and what gives them pleasure and happiness. It is about those little moments that make the difference between them simply surviving and living a joyful life.

We believe that the happiest moments of life for people usually come from the little things in life, like what they eat and what they wear. We also strongly believe that looking good and living joyfully should not cost too much, and should be within the affordable reach of people across India.



Led by this belief, we are continuously striving to bring affordable fashion to the doorstep of every Indian who aspires to look smarter, better and trendier.

We remain committed to making joyful living truly affordable and accessible for every Indian, irrespective of the segment, demography and geography they belong to.

Your Company exists to fulfil people's aspirations and create value for the entire ecosystem and we shall continue to give them the fashion they want and the happiness they deserve, today and always!



CORPORATE PROFILE



DELIVERING TO PEOPLE'S JOYFUL ASPIRATIONS

V-MART CORPORATE OVERVIEW

Driven by the Purpose to "exist to fulfil people's aspirations and create value for the entire ecosystem", V-Mart is an omni-channel value retailer delivering experiential offerings to India's aspirational middle class.

We are one of the pioneers in value retail segment in India, operating primarily in Tier-II and Tier-III towns and cities through a chain of 'value retail' stores. Our focus is on meeting the aspirations of the consuming class in the country.

We offer products based on the consumer's socio-economic conditions, purchasing power, demographic details and consumer trends. We have evolved as a customer-centric company, constantly striving to create value for our customers by offering affordable fashion through a wide assortment. Our fashion is designed to cater to the requirements of an entire family, and we also offer other merchandise for home and daily household consumption.







PERFORMANCE HIGHLIGHTS

380
Stores (including 74 stores of Unlimited)

25
States

~8,000 sq. ft
Average store size

₹20,433 lakhs
EBITDA

36.2%
Stores Y-O-Y Growth

₹1,164 lakhs
PAT

₹1,68,013 lakhs
Total Revenue

FROM NOW TO NEXT

At V-Mart, we are continuously scaling our efforts to facilitate joyful living for more and more Indians. To strengthen our efforts, we have crafted a new strategic roadmap for accelerated growth. This is aligned with our growing focus on meeting the evolving aspirations of India's value and fashion-conscious consumers living in Tier 2, 3 and 4 cities.
We have geared up to unlock greater efficiencies across our operating model, with digitalisation at the centre of our customer-oriented value proposition.

A LOOK AT THE NEW V-MART

BELIEF	PURPOSE	VISION	MISSION
We believe that looking good and living joyfully should not cost too much and should be afforded by every human being on earth.	We exist to fulfil people's aspirations and create value for the entire ecosystem.	Be the #1 value fashion omni-retailer of Bharat.	To serve the youth & young Indian families in Tier 2 / 3 cities by providing them with the best possible value, as well as the widest possible range in a convenient environment supported by a digital shopping experience.

A LOOK AT THE NEW V-MART

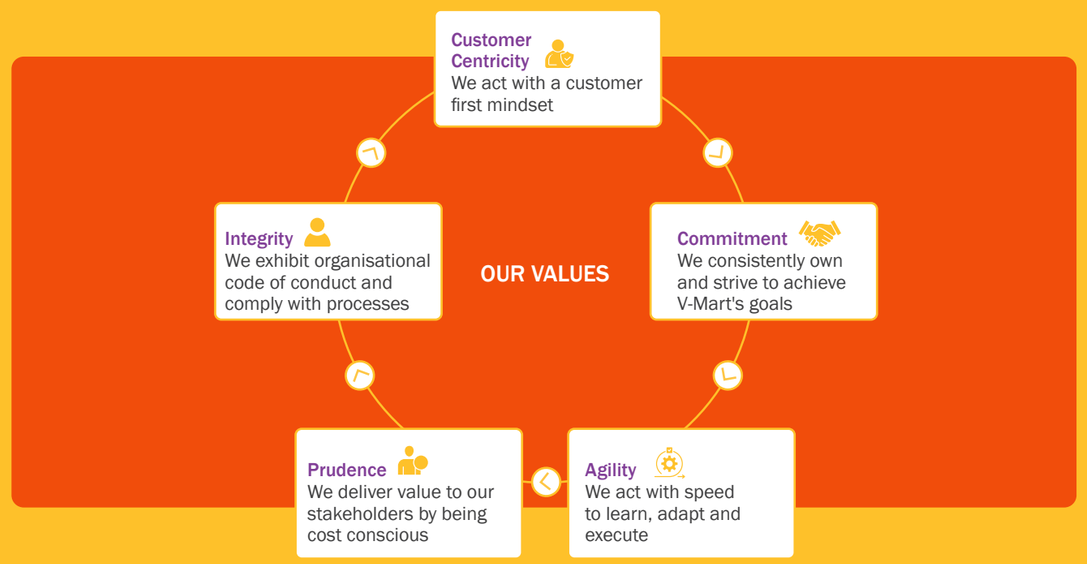
KEY GOALS

#1 value fashion retailer in every city we are present in

V-Mart stores in 500+ cities comprising 66% of the urban population of India

Target 15-20% share of the wardrobe of our core target customer

Enhance the share of **online business** in total business



GIVING JOY THROUGH AN UNPARALLELED EXPERIENCE

At V-Mart, we are continuously exploring new ways of delivering the unmatched experience that customers in India's untapped markets have always aspired for, but often find to be beyond their reach. We give, to such customers an ambience that has the feel of big city stores, but without the latter's exorbitantly priced brands and products.

- Our stores are spread over an average of 8,000 sq. ft.. They are designed to deliver affordable and high-quality fashion in a modern ambience that gives the feel of a large retail mall.
- We know that the young millennials in the smaller towns are as tech-savvy as their counterparts in metros and big cities. We have accordingly developed a strong online presence, led by our web portal – www.vmartretail.com, to complement the personalised experience of our physical stores. Our mobile apps can be seamlessly downloaded from Google Play Store and IOS platforms.
- An optimal mix of private and market labels across relevant products ensures that customers in the small towns get an exceptional variety to choose from. We give them a choice of offerings, as per their taste, convenience and pocket.

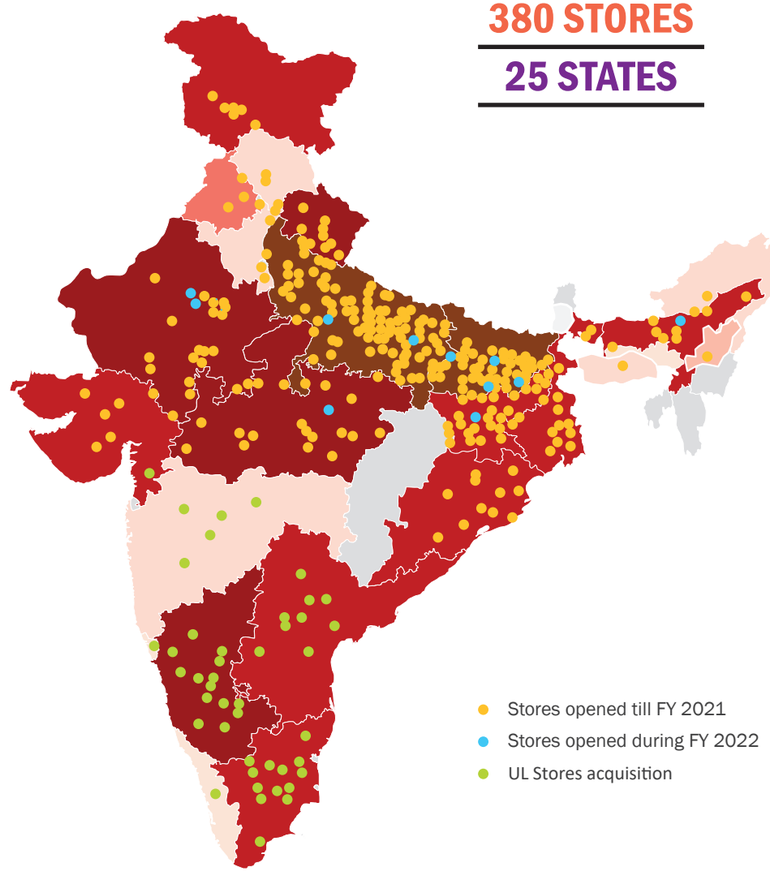
SPREADING CHEER ACROSS INDIA

Our continuously expanding pan-India presence ensures that our joyful offerings are not limited to a few pockets or regions. We are always on the lookout to foray strategically into high-potential cities through a cluster-based approach. We expanded our outreach into the new southern markets of India during FY 2022 through the synergistic acquisition of Unlimited.

380 STORES

25 STATES

States	No. of Stores
Uttar Pradesh	122
Bihar	55
Jharkhand	24
Tamil Nadu	22
Karnataka	20
Rajasthan	17
West Bengal	17
Madhya Pradesh	14
Telangana	14
Uttarakhand	10
Andhra Pradesh	9
Assam	8
Jammu and Kashmir	8
Odisha	8
Gujarat	7
Delhi	6
Maharashtra	5
Punjab	5
Haryana	3
Arunachal Pradesh	1
Goa	1
Himachal Pradesh	1
Kerala	1
Meghalaya	1
Tripura	1
Total Stores	**380**



As of March 31, 2022

Map not to scale. For illustrative purposes only

A JOURNEY OF MANY JOYOUS MOMENTS

2002
Incorporated as Varin Commercial Private Limited

2003
Opened its maiden store in the state of Gujarat

2006
Changed name from Varin Commercial Private Limited to V-Mart Retail Private Limited

2008
Converted into a Public Limited Company

PE Investment by Naman Finance (Aditya Birla Capital)

2013
Initial Public Offering - Company gets listed

2016
Crossed a Milestone of aggregated 1 million square feet of retail space with 123 stores in 106 cities

2017
Crossed ₹ 10,000 million total revenue milestone

2018
Started expansion in Tier 4 towns

2019
Won 'Transforming India Retail Award' by Ministry of Textiles

2020
Launched e-commerce channel

2021
Raised funds through QIP

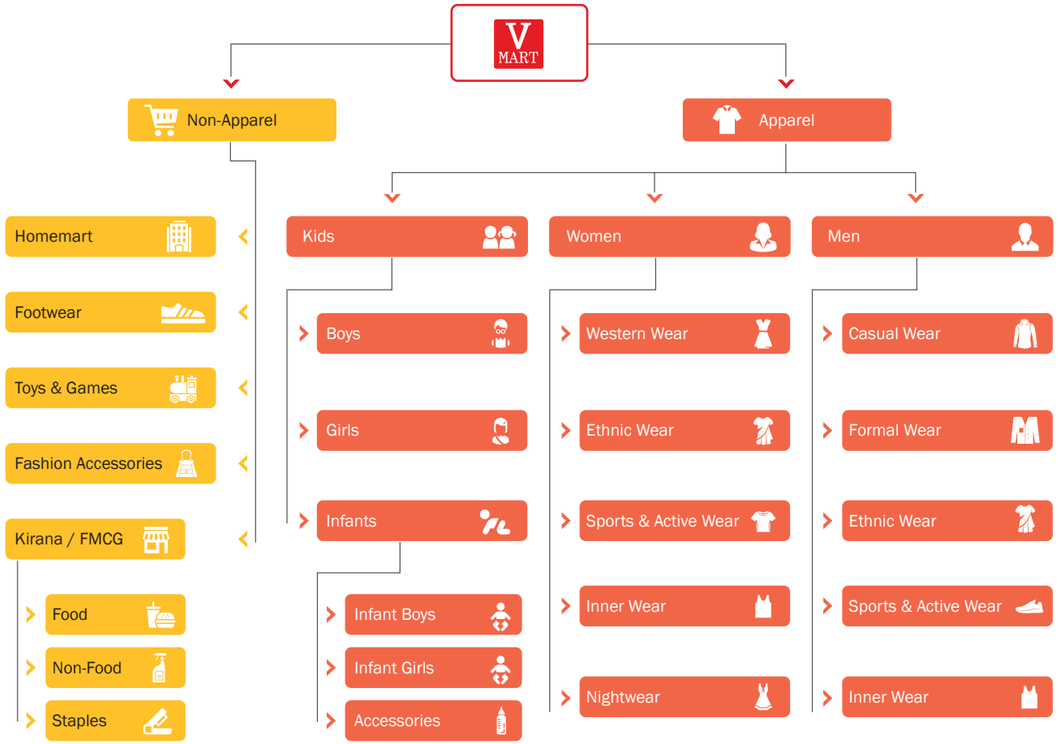
2022
Acquisition of 74 'Unlimited' retail stores from Arvind Lifestyle Brands, paving the way for growth in South India

OFFERING A BASKET FULL OF JOY

Our well-diversified and well-thought-out suite of affordable quality products are designed to meet the transforming needs of the entire family. We deliver to the aspirations of customers across age groups and cultural ecosystems, especially in the aspirational new 'Bharat'.

Besides apparels, we offer a bouquet of non-apparel goods, including home, lifestyle, footwear, toys & games. Our composite stores provide FMCG (food and non-food) and staples.

THE V-MART EXPERIENCE ACROSS BUSINESS VERTICALS





We source our products directly from specialised product hubs to ensure faster and more efficient sourcing. Our 500+ strong vendor base lends us robust procurement capabilities. We ensure that our vendors have the right capabilities to cater to the Company's market and product strategy.

Based on our data-backed understanding, we have redefined our store model to make it more engaging and impactful. We have segmented catchments based on demographics and fashion quote. Our two new store formats are:

- Fashion Dial-Up (FDU) – Stores offering a mix of relatively higher average selling price and more fashionable merchandise.
- Value Dial-Up (VDU) – Slightly smaller stores offering the entire merchandise at a sharper value pricing, more relevant for smaller towns.

This enables us to deliver a more value-centric proposition to customers across geographies and segments.

PERFORMANCE REVIEW



MESSAGE FROM THE CHAIRPERSON



With the re-articulation of our vision statement and values during FY 2022, we have strengthened our proposition to provide trendy and contemporary fashion at affordable prices, particularly in the Tier 2 and 3 markets. Our new vision statement - "To be the #1 value fashion omni-retailer of Bharat", has been crafted as per the changing habits and fashion trends.

Dear Stakeholders,

I feel both humbled and proud to be writing to you as Chairperson of V-Mart Retail Limited. I would like to begin by thanking all of you for this singular honour, and promise to deliver to your expectations to the best of my ability.

My association with the organisation goes back a long way. I share with V-Mart an emotional connection that inspires me to go the extra mile when it comes to understanding its ethos and aspirations. In fact, I believe this to be true for every member of the organisation. It is this organisational ethos that has helped steer the Company's journey of performance excellence over the years. From ₹ 144 crore in FY 2010, V-Mart's revenue from operations went up to ₹ 1,666 crore in FY 2022, more than 11X in 12 years. Our retail space has also witnessed significant growth – from about 5.6 lakhs sq. feet in FY 2013 to nearly 33 lakhs sq. feet in FY 2022, we have come a long way. These are exceptional feats, which I have personally seen the Company achieve in the 12+ years of my association with it.

What has really helped V-Mart stay relevant to India over the years, despite the evolving aspirations and needs of the people, is the management's openness to change. While staying committed to protecting the core of the Company's deep-rooted values, the management has adopted an agile approach to better resonate with the ever-changing ecosystem. Our decision to broad-base V-Mart's vision and values to make them more customer-centric also manifests this approach.

With the re-articulation of our vision statement and values during FY 2022, we have strengthened our proposition to provide trendy and contemporary fashion at affordable prices, particularly in the Tier 2 and 3 markets. Our new vision statement - "To be the #1 value fashion omni-retailer of Bharat", has been crafted as per the changing habits and fashion trends. It is in accordance with our focus on meeting the unfulfilled aspirations in these underserved markets of the country, which are witnessing a growing affluence and aspirations. It has always been our endeavour, to exceed the expectations of the people in these regions, while staying prudent in our approach to every decision we make. We have now further scaled our efforts and enhanced our capabilities to deliver, and perhaps even to exceed their aspirations.

It is my personal belief that while the skills needed to steer an organisation's success can be taught, the winning attitude that differentiates V-Mart from other fashion retailers is unique. I see this distinctiveness in every V-Martian, with each of them pursuing a strongly customer-centric approach with an intent to create an impact on India's fashion landscape and leave behind a legacy.

Today, as I look back at the year gone by, I see the impact of our hard work and commitment already visible. Last year, we have won many Awards and accolades, underscoring our inherent resilience and core strengths. I am happy to share that the Company was adjudged as India's Best Workplaces in Retail 2022 by Great Places to Work. We also won the 2022 CNBC Masters of Risk award for the Retail and Consumer sector in the mid-cap category.

These awards encapsulate V-Mart's performance across the key metrics of operations, financials and sustainability. From an operational point of view, the 'Unlimited' acquisition has helped us expand our footprint in the growing markets of southern India.

However, keeping this acquisition aside, your Company continued with its organic growth as planned. In our existing geographies, we added 39 new stores in FY 2022. This continued to boost our touchpoints across newer aspirational segments in more and more tier 2/3/4 cities & townships.

This yearly stores' expansion has been a perennial strategy which has been executed successfully year after year – and wouldn't have been possible without the unwavering support, loyalty and commitment of each and every of our now 8,000+ V-Martians!

Moreover, we have sharpened our focus on our Omni-digital-analytics platforms during the year by aligning them with the changing consumer habits and preferences. While there is still a lot to do on the Omni-channel front, we remain focussed on providing the customers with the right fashion at the right price point at their convenience. We are continuously investing in enhancing our Omni experience with advanced technologies.

From a financial perspective, the numbers we notched during FY 2022 reflect the inherent robustness of our business model. Our business model empowers us to leverage the strong Indian opportunity effectively, to deliver more inclusive growth and greater value to our stakeholders. I am happy to note that despite the trials and tribulations the country has been through during the pandemic times, the Indian growth story continues to remain intact. In fact, experts globally have projected strong growth for the country over the next decade, in spite of some short-term inflationary bumps and macro-economic global pressures.

At V-Mart, we have mapped our strategic approach to India's emerging opportunity landscape. As a responsible corporate, we have kept our Environment, Social and Governance (ESG) framework and our CSR policies at the centre of this strategy. We remain committed to uplifting the areas where our customers and employees live.

In FY 2022, our CSR support measures were majorly focussed on education and sports, which we are continuously upscaling through sponsorships and scholarships. I share with immense pride the governance standards that have been long established in the company. From having diverse skill sets on the Board, continuous evaluation and assessment of the Board's performance, and effectively managing the risks in the business, we continue to raise the bar. We conducted a materiality assessment with internal and external stakeholders on ESG. The goal was to identify concerns that were important to the company and its stakeholders. The exercise opened the way for our Sustainable Development strategy, which will guide us on our approach to a more sustainable future until 2025. We will increase our focus on environment-friendly initiatives as we march forward.

I am confident that the combination of the growing India opportunity and the V-Mart ethos, will guide the Company toward the realisation of its vision even more impactfully. Our strong customer-centricity will further help us drive our strategic vision and goals. As in the past, we will continue to learn from the challenges and hurdles confronting us – to emerge a stronger, bigger and better entity.

I would like to thank all of you, including our customers, partners, shareholders, investors, suppliers and every V-Martian, for your sustained trust in the Company and your continued support and co-operation. Together, we will succeed in delivering on our collective vision, towards the creation of a more empowered nation.

"To be successful, you have to have your heart in your business, and your business in your heart"

- Thomas J. Watson Sr

Regards,

Aakash Moondhra

MANAGING DIRECTOR'S MESSAGE



Dear Stakeholders,

If there is one thing that FY 2022 proved, it was that people seek out little moments of joy even in, or perhaps more so in troubled times. It was indeed a difficult year, as the continuing COVID crisis peaked devastatingly during the second wave, and the geopolitical tensions triggered by the Russia-Ukraine conflict aggravated the global stress towards the end of the year. The raw material and supply chain disruptions, along with the inflationary pressures resulting from these crises, further aggravated the problems for the Indian economy and industry. Amid these pressures, businesses struggled to cope and survive.

I am happy to share that V-Mart stayed strong in this complex and challenging environment. We did not just deliver a positive performance but actually went on to expand and grow during the year. We did not simply meet the people's expectations but often exceeded them by giving them the right merchandise at the right cost, and at the place and time of their choice. This is in line with our strategy and purpose of fulfilling people's aspirations and creating value for the entire ecosystem, at all times, in every possible way.

In a notable development of the year, we acquired 74 stores of Unlimited from Arvind Lifestyle Brands Ltd, a wholly-owned subsidiary of Arvind Fashions Ltd. The acquisition is aimed at giving us entry into the rich markets of South India, where we see immense untapped potential for the Company's growth.

STAYING ON EXPANSION COURSE

Taking forward our customer-led strategy, we launched several exciting new product lines during the year and further improved our customer service proposition. At the same time, we built on our operational and cost efficiencies to manage our expenses more effectively. By sharing only a part of the pricing pressure with the customers, we succeeded in protecting the operating margins while safeguarding the interests of customers.

In a notable development of the year, we acquired 74 stores of Unlimited from Arvind Lifestyle Brands Ltd, a wholly-owned subsidiary of Arvind Fashions Ltd. The acquisition is aimed at giving us entry into the rich markets of South India, where we see immense untapped potential for the Company's growth. The move fits well with our strategy of expanding our regional presence and adding capabilities in selected categories, by offering the best fashion value proposition to people across the country.

The acquisition and the transition have gone smoothly, for which I would like to thank both the teams. They helped us ensure a smooth integration across functions, people, systems and processes. The agility with which the Unlimited team has adapted to the new policies and business framework enabled us to leverage their combined strengths in a highly effective manner. The one-team approach with which people in both the brands worked together also contributed to the seamless integration of the capabilities of the two companies.

Our efforts currently are centred around ensuring people and product continuity, while improving merchandise assortment, sharper pricing on selected merchandise, and integration of systems & processes. Our key initiative in our overall merchandise strategy will be to cross-populate selective stocks from south to north, and vice versa. This would help add more variety and better options for consumers of both geographies.

During the year, your Company also continued to accelerate its store expansion plan, with new stores being added in the existing geographies in pursuance of our cluster-based expansion approach. This has enabled us to create more touchpoints for connecting with the growing aspirational segments of Tier 2, 3 and 4 rural and semi-urban areas of India. We believe that these markets are still underpenetrated, offering immense potential for an organised and experienced player like V-Mart to make deeper inroads into these regions. There were, of course, some store closures, too, which was also as per our tried and tested strategy of shutting down underperforming stores and investing in new ones with greater potential.

In the transforming scenario, we saw our customers opting increasingly for the convenience of the digital platform. Our online channel continued to register dynamic growth, encouraging us to invest significantly in digital transformation projects and in data analytics. These efforts are aimed at further augmenting our omni-channel approach to give people a powerful and holistic experience. We launched several exclusive styles on our online platform. We witnessed positive traction here, which is a testimony to the robustness of our online strategy.

PERFORMANCE-DRIVEN VALUE PROPOSITION

The key factors that enabled us to stay on track with our growth and expansion plans during the year were our deep understanding of the market and consumer trends, coupled with strong business and operational expertise. Though the winter and festival months witnessed good sales recovery, business continued to be below pre-COVID levels even during those times. However, I am happy to say that we managed our margins and pricing well to enable the much-needed operational and cost efficiencies for sailing through the difficult times. More importantly, we were able to refresh our inventory with



new stocks – a critical element for the success of the fashion business. I am happy to share that we also successfully reduced the supply chain cost per transaction. We managed to keep control over the inventory days despite higher inventory transactions from the acquisition of Unlimited stores and also used our capital efficiently.

As part of our marketing strategy, we launched and sustained innovative new marketing properties to create a buzz in the new markets and refresh the brand recall for customers in our existing markets. Our marketing is focussed on our belief that every customer is the Company's brand ambassador, and should accordingly be nurtured through better products, ambience and experience. We also remained focussed on pushing the customers' lifetime value through CRM-based promotional schemes and improved communication tools.

People were another area in which we made significant investments during the year, with a focus on prioritising their wellbeing and keeping them motivated and engaged. Even as we challenged their innermost strengths to inspire them to deliver their best, we concurrently supported them with resources and welfare initiatives. Our efforts were designed to imbibe our people with a team-building mindset, enabling minimum loss of information, reduction in time taken to act upon the information, and maximisation of output. All these initiatives and interventions cumulatively helped V-Mart sustain its conversion rate in the face of growing competition, leading to an enhanced level of customer stickiness and loyalty – a mainstay of our growth plans. The India's Best Workplaces in Retail 2022 by Great Places to Work received by V-Mart in these difficult times affirms that we continue to be the best company in the retail sector.



STRENGTHENING OUR RESPONSIBILITY CHARTER

These efforts were complemented by the strategic changes we made in our business model and our governance framework, to align ourselves more intricately with the transforming market landscape. We have rearticulated our strategic approach to address the changes in the external ecosystem and become an even more customer-centric organisation. The approach is driven around creating strong analytical capabilities. It is aimed at enhancing the lifetime value of the customer by increasing their frequency of store visits, and thus becoming a major part of their wardrobe share. We continue to build on our omnichannel strength further, with our 'online for offline' approach emerging as a key propeller of this strategy.

Further, to bring more effectiveness into our governance model, we made a strategic change in the Company's leadership structure during the year. We have further augmented our corporate governance framework by splitting the role of Chairperson and Managing Director. We believe that the appointment of Mr Aakash Moondhra (Independent Director) as Chairperson will pave the way for the Company to embark on a new growth trajectory, ably supported by a deep-rooted professional and independent governance culture.

As a responsible corporate, we are also moving aggressively towards becoming carbon-neutral to create a more sustainable future. We are working with our teams and vendors to minimise wastage and spread awareness on environmental conservation. Our sustainable lines of clothing are part of these efforts. Other CSR-led sustainability-centric initiatives include plantation drives and more streamlined logistics through collaborative location delivery, which will help reduce fuel consumption and the cost of transportation.

As a responsible corporate, we are also moving aggressively towards becoming carbon-neutral to create a more sustainable future. We are working with our teams and vendors to minimise wastage and spread awareness on environmental conservation. Our sustainable lines of clothing are part of these efforts.





We will continue to scale up our focus on the online space in the e-commerce channels – including our own portal 'vmartretail.com' as well as e-commerce portals like Amazon and Myntra, where we have recently started selling our products to the customers in 'Bharat'.

Undeterred by the continuing COVID crisis, we also continued to support the rural youth in skill development and launched multiple initiatives to better the education levels of the students living in the areas of our operations during the year. Our efforts were focussed towards driving education excellence by nurturing a differentiated mindset among youth.

DELIVERING MORE JOYS AHEAD...

Moving forward, we shall further consolidate our omnichannel strategy, with an enhanced focus on digitalisation. We will also make active investments in advanced technologies and the people who manage these technologies. We will continue to scale up our focus on the online space in the e-commerce channels – including our own portal 'vmartretail.com' as well as e-commerce portals like Amazon and Myntra, where we have recently started selling our products to the customers in 'Bharat'. Serving the aspiring needs of Bharat is where we have built the strength, and where we believe the future of value retail lies.

We shall also continue to invest in augmenting the efficiency of our supply chain. It is our endeavour to become even better on mind-to-market and more efficient on costs. We shall further sharpen our differentiated business strategy with new store additions and customer acquisitions.

The outlook for the next financial year remains optimistic on the back of an improving COVID-free environment, although the macro-economic pressures pose a challenge for mass value seeking customers. We believe that we are fully equipped to handle the challenges and continue to add bright and joyful colours to everyone's lives, without compromising the interests of any of our stakeholders.

Before I conclude, I thank each one of you for your sustained trust and cooperation, which continues to guide us in our journey of delivering joyful moments to our customers, people, partners, suppliers, investors and other stakeholders.

Lalit M. Agarwal
Managing Director

THE COLOURS OF JOY WE ADDED DURING FY 2022



KEY HIGHLIGHTS

TAKING JOYFUL LIVING DEEPER INTO THE SOUTHERN MARKETS

During FY 2022, the Company entered the southern market with the acquisition of 74 stores of 'Unlimited' from Arvind Lifestyle Brands Ltd, a wholly-owned subsidiary of Arvind Fashions Ltd. As part of the transaction, V-Mart has acquired the fixed assets of all running stores and warehouses, leases, less than one-year-old inventory, and other current assets of the Unlimited business, along with the store brand, "Unlimited". With this, V-Mart has debuted into South India, and is helping customers in the region meet their fashion aspirations through its vast array of quality products at affordable prices. The move also fits well with V-Mart's cluster-based expansion strategy and dramatically shortens the time-span required for geographical expansion of this scale in a new big market.

V-Mart's expertise in creating a scalable and profitable value fashion retailing business model has combined with Unlimited's large presence in South India with a strong fashion mindset and delivering a differentiated store experience to customers. This will provide a long runway for sustained stakeholder value creation and will allow V-Mart to gain strategic insights and presence in this very attractive market.

- Sharp business recovery with improved sales, especially during Diwali and Holi festival months
- 113 record new stores, largest ever store opened in Agartala; foray into South India with Unlimited acquisition
- Acquisition of land for building a new warehouse of the Company
- Expansion of omni-channel network, launch of V-Mart marketplace on e-commerce platforms - Myntra and Amazon
- Successful "Unlimited" integration and steady recovery in line with Return on Investment during Q4 of FY 2022
- Consistent growth in Kirana/FMCG business leading to highest Composite stores in FY 2022
- Façade freshness 99%, with new façade look and Fashion Dial-Up ramp-up

Spreading Cheer Across India

Total Footfalls (in lakhs)

205 (FY 2021) +41% 289 (FY 2022)

Average Selling Price – (₹ per unit)

220 (FY 2021) +10% 242 (FY 2022)

Average Selling Price (From Apparels in ₹)

344 (FY 2021) +15% 397 (FY 2022)

Average Transaction Size (in ₹)

895 (FY 2021) +9% 974 (FY 2022)

Units per Transaction

4.1 (FY 2021) -2% 4.0 (FY 2022)

Sales per Sq. Feet (per month in ₹)*

530 (FY 2021) +6% 559 (FY 2022)

*basis operational days, not comparable due to COVID impact

Total Retail Space (Lakhs Sq. Feet)

23 (FY 2021) +45% 33 (FY 2022)

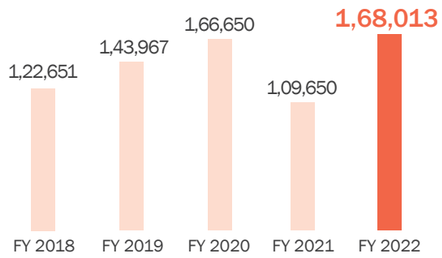
Repeat Sales from Loyal Customers (%)

71% (FY 2021) -18% 58% (FY 2022)

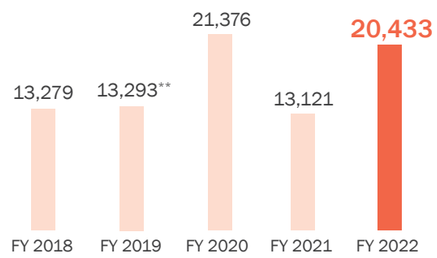
Key Financial Metrics

5-YEAR PERFORMANCE OVERVIEW

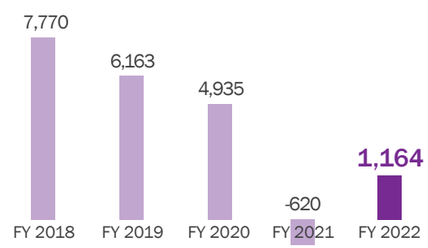
Total Revenue (₹ lakhs)



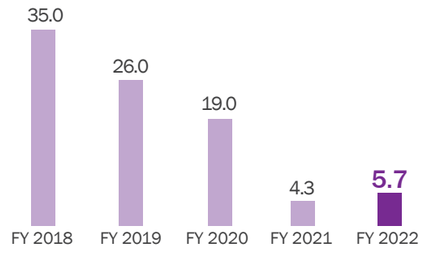
EBITDA# (₹ lakhs)



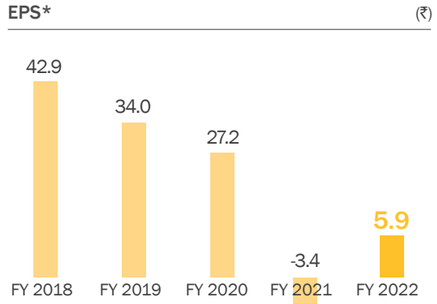
PAT (₹ lakhs)



ROCE$* (%)



EPS* (₹)



*All figures for FY 2022, 2021 and 2020 are calculated as per Ind AS 116.
**After exceptional items of ₹ 979.94 lakhs.
#Does not includes, other income and finance income.
$ROCE = EBIT / Avg. capital employed.
Capital employed = Total assets – Current liabilities

CREATING SUSTAINABLE VALUE



STAYING ENGAGED TO BUILD HAPPY RELATIONSHIPS

Recently, we undertook a materiality assessment through stakeholder engagement. Several economic, environmental, social and governance topics material to our business and stakeholders were identified through this exercise. The assessment incorporated the following aspects:

- **Economic, environmental and social impacts of the Company**
- **Company's goals and priorities**
- **Stakeholders' major needs and concerns**

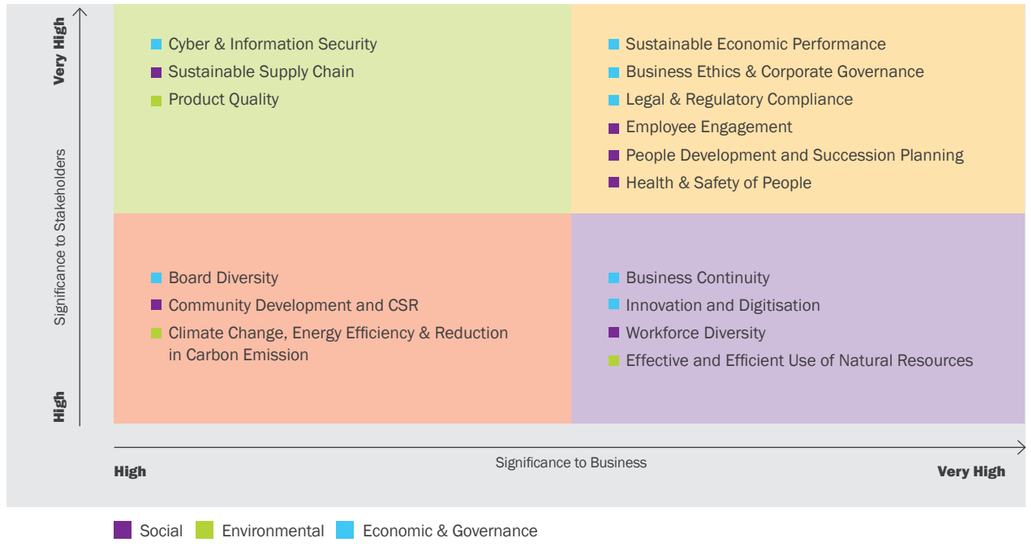
The topics were then evaluated in terms of impacts and the boundary of impacts based on the effects on the Company's activities, business model and strategy for value creation. Interactions were conducted with stakeholders, both internal and external. The key stakeholders are investors and shareholders, customers, employees, suppliers and service providers, local communities and NGOs, government and regulatory authorities, and the media. The topics were prioritised by them on a scale of 1 to 5.

Based on the importance of the organisation and its stakeholders, the identified issues were analysed. The material issues that are significant to the Company and its stakeholders were identified and suitably incorporated into the Company's plan.



MATERIALITY MATRIX

	Material Issue	Sustainable Development Goals (SDGs) Impacted
Economic & Governance	Sustainable economic performance	
	Business Ethics and Corporate Governance	
	Board Diversity	
	Information Security (Cyber and Data Security)	
	Business Continuity	
	Legal and Regulatory Compliance	
	Innovation and Digitisation	
Social	Community Development and CSR	
	Sustainable Supply Chain	
	Employment Engagement	
	People Development and Succession Planning	
	Workforce Diversity	
	Health and Safety of People	
	Product Quality	
Environmental	Climate Change, Energy Efficiency and Reduction in Emission	
	Effective and Efficient Use of Natural Resources	



CREATING VALUE TO SPREAD HAPPINESS

Based on our materiality assessment, we have identified the key capitals in which we need to make continuous investments to maintain the Company's financial and operational stability. These investments help us deliver on our 'affordable joyful living' proposition.

FINANCIAL CAPITAL

Comprises

- Equity investment from shareholders
- Surplus arising from business operations
- Funding from debt providers
- Cash-rich and debt-free Balance Sheet
- Competitive lease rentals, which are sustained through a win-win business association with landlords

Our financial capital enables us to maintain business continuity even in challenging times. It equips us to carry forward our plans for growth and expansion.

₹1,68,013 lakhs
Total Revenue for FY 2022



INTELLECTUAL CAPITAL

Consists of

- Product design capabilities and private label contribution mix
- Our knowledge, strength, systems, processes and technology
- Comprehensive ERP-backed supply chain management system, comprising planning, merchandising, sourcing, standardisation, vendor management, logistics, quality control, pilferage control, replacement and replenishment

Our product design capabilities help boost customer experience and stickiness. They enable us to expand our customer base. Our investments in systems, processes and technology enable innovation-led growth for the Company. We remain focussed on augmenting our people's strength and capabilities to build on our intellectual capital and empower them to respond proactively to the evolving customer needs.

9
No. of Key Private Labels

54%
Contribution of Private Labels in Apparel sales excluding Unlimited Stores



MANUFACTURED CAPITAL

Built through

- Opening of new stores, renovating existing stores, augmenting our warehouse and logistics infrastructure
- Undertaking capital investments that help fulfil the needs of our customers by supporting the Company's long-term growth
- Strong & scalable IT infrastructure, with well-defined systems & processes to support growing operations

In FY 2022, we expanded our retail footprint by taking our total store count to 380, across 25 states. The store count in the previous fiscal stood at 279 stores in 19 states.



380
No. of Stores
279 in FY 2021

33 lakhs sq. feet
Total Retail Space
23 lakhs sq. feet in FY 2021

₹28,908 lakhs
Total fixed assets (including Cap. WIP)
₹ 18,073 lakhs in FY 2021

₹ 4,306 lakhs
Investment for enhancing supply chain infrastructure
₹ 1,335 lakhs in FY 2021



SOCIAL & RELATIONSHIP CAPITAL

Driven by

- Deep-rooted customer relationships and trust
- Strong relationships with our vendors, suppliers and manufacturers, to ensure smooth, efficient and uninterrupted supply of products, lean & streamlined inventory
- Robust and diversified procurement network, backed by standardised sourcing directly from regions where such products are widely available or manufactured
- Investments in the sustenance and well-being of our vendors and the local communities

We adhere strictly to the highest standards of merchandise quality and assurance of honest pricing. We take measures to enhance our bonds and relationships with all of them. We have the first mover advantage in Tier II and III cities, targeting growth of the aspiring middle class customer group. The proximity of our stores to our catchment areas results in deeper understanding of diverse and local fashion needs.

In terms of our CSR impact, we continue to strengthen our Skill Development programme outreach year-on-year. So far, 3,389 rural youth have benefited from the programme, of whom 1,977 are female candidates. As on March 31, 2022, we are running 15 training centres in the states of Tripura, Odisha, Rajasthan, Meghalaya, West Bengal, Uttar Pradesh and Himachal Pradesh as part of this programme.

938
No. of active suppliers (of Apparel)

23.4%
Of products sourced locally from mid-size businesses

>34,000
Total CSR beneficiaries

₹248 lakhs
Total CSR spend

58%
Of revenue from repeat customers

1.7 Million+
Meals

4,400
Courseware Kits

2,800
Tablets

Distributed to BPL beneficiaries till date

HUMAN CAPITAL

Nurtured with

- Strong management bandwidth, led by visionary and experienced leadership
- People-friendly policies and culture
- Dedicated professionals with diverse skills and robust execution expertise
- Focus on attracting, retaining and fostering talent

We remain committed to promoting the welfare and well-being of our people. We invest actively in their growth and career progression. We adopt and implement several initiatives to train and upskill our employees, while investing in their overall health and safety. We work towards empowering them to perform better and more productively, in their own interest and in the overall interest of the organisation. We have been ranked as one of the best places to work by the 'Great Place to Work Institute', underscoring the trust and confidence of our employees.

22%
Women in workforce

7,909
No. of customer sales associates and store managers

8,660
No. of employees trained

8,167
Number of Permanent Employees





NATURAL CAPITAL

Promoted by

- Prudent and efficient use of natural resources
- Environmentally sustainable business methods and processes

It is our constant endeavour to minimise the environmental impact of our business through targeted initiatives for the promotion of sustainable business practices. We continue to invest in boosting efficiencies through innovative methods and activities.

₹1.05GJ/lakhs
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupee)

₹1,049 lakhs
Fuel consumption

61%
Cartons Reused

DOING MORE WITH LESS... TO GIVE MORE JOY

The V-Mart value creation model is not just crafted for our long-term vision, belief and purpose, but is also deeply aligned to our value system. We are imbued with an organisation-wide culture of delivering sustained and long-term value to all our stakeholders, with their happiness central to our strategic approach.

We are continuously striving to create more avenues to make joyful living affordable and accessible to Indians around the country.

We do this by

'DOING MORE WITH LESS'.

And we achieve this by

- Sustaining and benefiting all stakeholders in our ecosystem
- Leveraging our pioneering business model
- Addressing materiality issues, strategic risks and opportunities

WE DEMONSTRATE THIS APPROACH IN OUR

- Focus on a consistent track record of growth and profitability
- Efficient operating metrics
- Presence in various high growth states with a focus on Tier II/III/IV cities
- High brand recall, coupled with a deep understanding of consumer preferences
- Sourcing & vendor management capabilities

INPUTS

Financial Capital

- Total Equity: 84,962 lakhs
- Zero Debt

Manufactured Capital

- Total stores at the beginning of the year: 279
- Total stores at the end of the year: 380
- Total retail space (sq.ft.): 33 lakhs
- Our state-of-the-art centralised warehouse
- Fixed assets: ₹ 28,908 lakhs
- Investment for future-ready supply chain infrastructure: ₹ 4,306 lakhs
- Spending on promotional activities: 2.5%

Intellectual Capital

- No. of private label brands: 9
- No. of Trademarks received: 42
- Total brands housed: 9

Human Capital

- No. of customer sales associates and store managers: 7,909
- No. of back-end and warehousing staff: 751
- Average experience of professional leadership team: 15 years
- Spending on employee training: ₹ 40.4 lakhs
- People trained: 8,660
- Training provided - 40 Hrs (per employee)

Social & Relationship Capital

- No. of active suppliers of apparel and other merchandise: 938
- Product sourcing oriented towards local sourcing and from mid-size businesses: 23.4%
- CSR spending: ₹ 248 lakhs

Natural Capital

- Efficient electricity and fuel consumption at stores (PTP Comparison): ₹ 5,984 lakhs
- Responsible usage of packaging (Tapes – 75,796 ; Carry bags – 72,64,202*)

*(Paper and Cloth based recyclable carry bags were used)

OUR APPROACH

1. Cluster-based expansion

Across Tier II, III, IV cities

2. Care for customer aspirations

With a large assortment of products designed for youth & young families

3. Latest & affordable fashion

Driven by Private Labels

4. Centralised supply chain management

At sourcing, distribution & store replenishment levels

5. Customer engagement

To drive footfalls & repeat customer business

Our Strategy

- Enhancing brand visibility
- Understanding customer preferences
- Being close to Fashion – Hyperlocalisation for customised doorstep fashion delivery
- Being India's leading Value Fashion Retailer
- Cost efficient logistics & better SCM
- Building a 'Connected Retail Platform'
- Digitalising & Automating on fast track
- Better utilisation of Human Resources
- Cross promotion through Intelligent Marketing
- Developing 'Future-Ready' processes & capabilities

Our Strategic Proposition

- Customisation
- Continuation
- Cybernation

OUTPUTS

Revenue & EBITDA Performance

- Total Revenue: ₹ 1,68,013 lakhs
- EBITDA: ₹ 20,433 lakhs
- EBITDA Margin: 12.3%
- PAT: ₹ 1,164 lakhs
- ROCE: 5.7%
- ROE: 1.4%
- Free/(utilized) cash flow (without IndAS-116 impact): ₹(28,574) lakhs
- Free/(utilized) cash flow (with IndAS-116 impact): ₹(16,061) lakhs
- Market Capitalisation: ₹ 7,83,323 lakhs
- Dividend: Nil
- Net debt to equity: Nil
- Inventory turnover ratio (basis COGS): 1.99
- Asset turnover: 0.89
- Shrinkage (% of sales): 1.3% (includes provision for old inventory)

- Under-performing stores closed during the period: 12
- New stores opened: 113
- Revenue from Operations: ₹ 1,66,618 lakhs
- Sales per sq. feet (basis operational days): 559
- Single (Same) Store Sales Growth: 23.0%
- Total footfall: 289 lakhs
- Footfall per store: 253 (per store per day)

- Sales contribution from private labels (of apparel sales): 54.0%
- % of digital sales (GMV) : 1.3%

- Achieved Best Workplaces in Retail for FY2022 by Great Place to Work
- Employee productivity (Sales per employee): 2 lakhs
- % of products sourced locally from mid-size businesses: 23.4%
- Increase in customer base (total customers shopped): 77 lakhs
- % of revenue from repeat customers: 58.0%
- Total CSR beneficiaries: >34,000

- Electricity consumption (In ₹ lakhs): ₹ 4,935 lakhs
- Fuel consumption (In ₹ lakhs): ₹ 1,049 lakhs
- % of cartons reused: 61.0%

BOOSTING STAKEHOLDER ENGAGEMENT TO BUILD HAPPY RELATIONSHIPS

At V-Mart, we believe our stakeholders to be our partners in our progressive journey of growth and value creation. We nurture our relationships with our stakeholder groups and invest in sustaining their trust and confidence. We remain committed to driving impactful innovations to respond proactively to their evolving aspirations and needs on a continuing basis. We work hard to keep our relationships with our stakeholders joyful and blissful so that we can deliver enhanced value to them every year.

NURTURING TRUST ACROSS STAKEHOLDER GROUPS

Stakeholder Group	Their Voice	Our Response	Our Engagement Rationale	Our Engagement Methods
Customers **284 lakhs** Customers served in FY 2022	▪ Value for money ▪ Trendy/ contemporary fashion for entire family ▪ Quality products ▪ Shopping convenience ▪ Multiple buying choices ▪ Safe experience	▪ Transparent pricing ▪ Latest fashion, matched to market trends ▪ Best-in-class products ▪ Store accessibility ▪ Safety protocols (SOPs) ▪ Pleasing and comfortable ambience ▪ Omni-channel expansion	▪ To track their needs and aspirations on continuing basis ▪ To improve their V-Mart experience ▪ To deliver to their aspirations ▪ To provide sustained value & trust	▪ Personal interaction ▪ Advertising & marketing campaigns ▪ Store events ▪ Social media communities ▪ Web portal – www.vmartretail.com ▪ QR code-based grievance redressal mechanism ▪ Periodic customer surveys
Employees **40 Hrs** Training hours per employee in FY 2022	▪ Fair pay and incentives ▪ Decision-making authority ▪ Workplace safety with flexibility amid pandemic ▪ Learning and development opportunities ▪ Career progression ▪ Pride in working for fair and ethical employer ▪ Rewards and recognition ▪ Stable business performance	▪ Fair compensation ▪ Performance-linked incentives & bonus ▪ Employee Stock Option Plans (ESOPs) ▪ Employee-friendly HR policies ▪ SOPs & guidelines for health & safety ▪ Work-from-home, flexible attendance ▪ Ethical and transparent corporate governance framework ▪ Decentralised organisation ▪ Track record of performance ▪ Track record of industry-leading & stable EBITDA & ROCE	▪ Be an employee of choice in value retailing segment ▪ Enhance value for employees ▪ Nurture employee trust in the organisation ▪ Build a collaborative and empowered culture for inclusive growth	▪ Ongoing skill and capability development programmes ▪ Virtual town halls & interpersonal engagement with top leadership team ▪ Regular Mailers, WhatsApp, Social Media and other communication ▪ Strong feedback mechanism, surveys ▪ Digital platforms, HRMS, secure messaging app ▪ Family events/ celebrations, Kids' Camp during pandemic



NURTURING TRUST ACROSS STAKEHOLDER GROUPS

Stakeholder Group	Their Voice	Our Response	Our Engagement Rationale	Our Engagement Methods
Shareholders **5.7%** ROCE delivered in FY 2022	▪ Good return on Investment, positive cash flows ▪ Clear long-term strategic vision & direction, value creation drivers ▪ Regular & transparent communication on performance & market developments ▪ Ethical systems, strong risk-mitigation measures	▪ Track record of industry-leading & stable EBITDA & ROCE ▪ Robust balance sheet, strong liquidity with zero debt ▪ Steady revenue growth ▪ Steering store expansion, operational & cost efficiencies ▪ Increasing same-store sales growth ▪ Ethical & transparent business policies	▪ Regular communication & transparent updates on business ▪ Ensuring fair trading of V-Mart shares at reasonable value, with clarity on opportunity & risks ▪ Alignment to globally benchmarked practices ▪ Engaging closely to nurture sustained trust	▪ Participation in investor & financial analyst meets/ conferences ▪ Quarterly investor/ analyst calls ▪ Integrated annual report with clear articulation of value creation story ▪ Media interactions/ briefings ▪ Press Releases ▪ Website/Social media investor communication platforms
Suppliers **938** Active suppliers as on March 31, 2022 (against 660 as on March 31, 2021)	▪ Regular & timely payments ▪ Transparent contracts/ agreements with beneficial terms & conditions ▪ Strong cash flow & liquidity ▪ Sustainable long-term relationship ▪ Value-led growth opportunities	▪ Regular payments even during pandemic ▪ Fair & transparent contract clauses & business policies ▪ Ongoing quality inspection and training ▪ Promoting MSMEs, small businesses ▪ Local sourcing, backed by efficient supply chain management ▪ Collaboration on innovative and cost-efficient designs/ collections	▪ To deliver on our promise of quality value fashion for customers ▪ On-time availability of raw material/ merchandise ▪ Enhance differentiated fashion for family proposition ▪ Promote best practices in supply chain ▪ Enable sustained vendor trust & confidence ▪ To comply with laws such as prohibition of child and contract labour and environment, among our suppliers	▪ Regular supplier-buyer meetings ▪ Supplier code of conduct and sustainability audits ▪ Online vendor portal initiatives for welfare/ development of suppliers/vendors ▪ Annual supplier conference ▪ Quick vendor grievance redressal ▪ Involvement in local store-level events/ initiatives

Stakeholder Group	Their Voice	Our Response	Our Engagement Rationale	Our Engagement Methods
Local Communities **>34,000** People benefited in FY 2022 from our CSR programmes (22,000 in FY 2021)	▪ Enhanced quality of life, education ▪ Livelihood & skill development ▪ Job opportunities ▪ Affordable but contemporary quality products ▪ Healthy & safe environment	▪ Local hiring from among the underprivileged ▪ Providing job-specific skill training ▪ Giving medical/ healthcare support amid COVID ▪ Distributing essential commodities to needy families ▪ Developing & supporting community & sports infrastructure ▪ Scholarships to meritorious underprivileged students to pursue education	▪ Community development for sustainable business growth & brand visibility ▪ Promoting a culture of inclusive progress ▪ Growing organisational morale ▪ Ensuring holistic stakeholder trust in Company's credentials	▪ Community-centric CSR initiatives ▪ Involvement of employees in local CSR outreach programmes ▪ Partnering with NGOs for long-term CSR programmes in key areas of Health, Education, Livelihood creation, Infrastructure development ▪ Providing disaster relief & support to affected communities



PROMOTING OUR AFFORDABLE FASHION BRAND PROPOSITION

Our first-mover advantage, extensive physical presence, unparalleled customer experience and established brand equity are continuously helping us to grow in our existing geographies. At the same time, our efforts to strengthen brand visibility and recall is driving our expansion into new regions. We have adopted a multi-dimensional approach to strengthen our brand proposition, which is focussed on 'affordable fashion' that is within the reach of every Indian.

Led by our keen focus on enhancing our presence in our store catchment areas, we make almost all our brand investment in Below the Line (BTL) activities, with the remaining ones getting distributed on Above the Line (ATL), Loyalty and Virtual Marketing schemes.





The Unlimited acquisition has enabled us to reach a wider consumer segment to push further and expand the community too. We have completed several modules of research, especially in the South, to understand customer shopping behaviour in our stores. We also undertook an elaborate study to understand the customers' fashion needs and their wardrobe mix and also the brand recall, to enable us to build new clothing ranges and align our marketing efforts for its promotion.







'DIGITAL, FB & INSTA FIRST'

The pandemic has triggered a shift in our focus towards the 'Digital, Facebook & Insta First' strategy, helping us reach out to the right audience and showcase our latest offerings to them.

- Our thrust is on creating a robust ecosystem of "active" followers on our page, engaging with us to transact more and more frequently
- We have strengthened our digital marketing initiatives by acquiring audiences and covering the gamut of many performing social platforms to widen our reach
- We have complemented this by refreshing our e-commerce page with the latest and inventory-led fashion
- A dedicated marketing investment (spend) is also being done to promote our Omni Marketing strategy

PROMOTING THE BRAND IN FY 2022

During FY 2022, we launched several initiatives and programmes to enhance our brand proposition.

- **"Fashion ka pyar, har tyohar"** – a marketing campaign to bind all our festival-related communication
- **"Break Free Live Free"** – digital video film to celebrate the 'unlocking' period during the Summer, Holi & Eid festivals
- Promotional activities for Summer, Holi and Eid festivals
- Moved up from Limbo photoshoot to outdoor shoot for Autumn Winter (AW) '21 & Spring Summer (SS) '22, with aspirational imagery to connect with youth
- Scaled façade freshness meter to almost 100%

>90%
Façade freshness due to new look and FDU ramp-up

58%
Repeat sales in FY 2022

₹39 Cr
Additional sales generated from internally developed SMS Campaign Manager

₹22 Cr
Sales resulting from internally developed coupon engine



V-GREEN

As a responsible corporate, we have introduced our eco-friendly V-Green range of fashion. It underscores our sustainability initiatives for our mother earth from the environmental perspective, and we are making significant investments in promoting this as a key value proposition of the Company. The Green Denim uses less than 15 litres water/denim for manufacturing, with Zero Solid and Liquid Discharge.

GETTING FUTURE-READY

UNLEASHING THE NEXT LEVEL OF HAPPINESS-LED GROWTH

We understand what the people of Bharat want and strive for. We are also optimistic about where the next level of opportunity for growth and expansion will come from. We are always geared up to harness this opportunity by capitalising on our deep understanding and core strengths.

In line with this approach, we have focussed consciously on a cluster-based expansion model, with Tier 2 and 3 towns central to our strategy. We continue to evolve our strategic orientation in tandem with the evolving external landscape, which guides our response to the growth prospects we see in the markets of our presence and beyond.





TOWARDS V-NEXT

We have mapped a well-defined journey to build the V-Next proposition by taking us into new geographies of growth. We have embarked on a 15-month V-Next journey as part of this proposition.

Objective

Unlock greater efficiencies and set ourselves up for rapid growth.

Process

We have identified the following 6 key tenets to take this journey forward:

- Driving Sourcing, Merchandising & Planning towards the next level of efficiency leveraging best-in-class processes & digital tools
- Consumer centricity at the heart of everything
- Simplified processes suited to the Omnichannel world
- Continuous improvement to unlock next level of efficiencies across operating model
- Data-driven unbiased decision-making
- Digital tools based operations

The programme covers all key processes across Consumer insights, Pre-season planning, Buying, In-season planning & In-store execution.

Expected Outcomes

We believe this transformation journey can help V-Mart unleash the next wave of growth with the following as the key levers for improvement:

- Product cost rationalisation
- Like-to-Like (LTL) revenue growth
- Sell-through enhancement
- Inventory optimisation

PILLARS OF OUR GROWTH STRATEGY

We have designed our growth strategy as:

CUSTOMISATION

- Customer-centric approach, focussed on the aspirations of customers in Tier 2, 3 cities & towns pan India
- Building on product design strength to attract the youth and the young families
- Understanding of the seasonality and the diverse taste of the customer in each region and each state
- Innovating on customer engagement and building communication platforms which can drive people to increase their V-Mart visits across multiple channels

CONTINUITY

- Ensuring business continuity through continuous process simplification and operational model improvements
- Continuing to make process improvements across our value chain to strengthen our capabilities and capacities
- Continuously augmenting the organisational structure by acquiring the best-in-class talent and ensuring world-class training for our people to facilitate growth

CYBERNATION

- Use of data driven analytics and digital tools predict future trends and respond faster to market changes
- Focussing strategically on moving more aggressively towards the omni-channel approach
- Strengthening our e-commerce presence, which we had embarked on with our tie-ups with e-commerce platforms like Amazon and Myntra



DELIGHTING CUSTOMERS THROUGH OUR OMNI-CHANNEL STRATEGY

The growing customer preference for the omni-channel model has unleashed new growth opportunities for retailers across the country. Responding to these emerging opportunities, the Company has strategically focussed on creating an integrated omni-delivery channel. The approach is powered by our growing emphasis on digital transformation.

Create digital user journeys that deliver convenience and discoverability of digital presence and payments to our existing offline customers.

Provide seamless anywhere-anytime shopping experience to our customers.

We are continuously investing in building our online channels to complement our robust physical presence, to create a unique **'online for offline'** proposition that is crafted to:

Drive volumes of digital orders from all digital channels, including marketplaces, directly to our physical stores and win customers by achieving Service Level Agreement (SLAs) and Key Performance Indicators (KPIs) with minimal costs and shortest time to deliver, leveraging our network of store location.

Ensure that we stay relevant and prominent in the online space ruled by large marketplaces built over large digital spends.





IMPACT OF OUR STRATEGY

4.4 lakhs
Total orders from online stores

2 lakhs
No. of orders secured through stores

23 lakhs
App downloads

2,790
Highest Orders Online in a Single Day

15,499
Pin-code coverage

5 lakhs
Facebook and Instagram community
(From 2.77 lakhs in FY 2021)

ENHANCING OUR DIGITAL FOCUS

Optimisation of store inventory

Development of in-house Machine Learning (ML) models to assess the true potential of a location has led to

- Reduction in number of tracking features from 140 to 14 to access the volume demand projections
- Improvement in prediction accuracy from 16% to 72%
- Enhancement in capability to have the right product at the right store at the right time
- Identification and investment in the areas of demand forecasting and in-season demand sensing





Order management systems for store and warehouse fulfilment

- Aimed at faster integration of marketplaces and serving them with little or no additional manpower
- Will lead to reduction in inventory holding period by next fiscal, on account of listing at multiple marketplaces while being preferred partners to marketplaces because of better compliance to Service Level Agreement (SLAs)
- Warehouse fulfilment system comes with a warehouse management system to ensure seamless and unified pick lists for all the onboarded marketplaces

'HAPPINESS AGENTS'

In January 2022, we launched a shop-at-home programme titled 'Happiness Agents' as a measure in response to the COVID pandemic. The programme is powered by our proprietary customer data platform, offering modules within our store app / website and serviced by our store teams.

1,300
Customer service associates connected on WhatsApp

14 lakhs
Customers connected across 86 stores under partial lockdowns

We have extended the programme to all of our customer service associates, as a part of our endless-aisle drive to arrest the sales opportunity loss at our stores with the help of our online catalogue. We are also developing properties like size stores, flat price stores, category stores etc, on our omni-portal, to make it easy for store staff and customers to search for products.

Our online retail platform - vmartretail.com, together with our apps on both Google Play Store and IOS Store, along with availability on leading marketplaces such as Amazon and Myntra, offers customers a fashion-centric and delightful shopping experience. We have revamped our website to make it even more engaging and customer-friendly during the year.

ENVIRONMENTAL SOCIAL, GOVERNANCE (ESG)

The Company has launched an online ESG profile on www.vmartretail.com platform, which is a public, consolidated, and searchable profile on the Company's website, that summarizes the company's approach towards sustainability and provides insightful and easily accessible information on the impact of group's activities across ESG areas. This profile will allow various stakeholders such as clients, shareholders, financial institutions, regulators, rating agencies etc. to conveniently review and keep abreast of the company's rapidly evolving ESG practices. With this the Company becomes one of early adopters of a transparent, comprehensive and real time platform to share company-wide ESG commitments.

ENVIRONMENTAL

NURTURING THE ENVIRONMENT FOR A SUSTAINABLE FUTURE

Environment protection is a key priority at V-Mart. We continue to make significant investments in maintaining ecological balance in and around our operations. The focus is on reducing the carbon footprint of our business and mitigating the climate change impact. We also take focussed initiatives to create awareness across the organisation, and among our supply chain partners, on the importance of managing the environmental footprint. We believe that ecological sustainability is vital for long-term sustainable business growth, and also for protecting the interests of all our stakeholder communities.

We have set and achieved goals with respect to water and energy conservation, and environment-friendly practices along the supply chain. We made considerable progress during FY 2022 towards the realisation of these goals.

WATER AND EFFLUENTS

- Reduction in water wastage by installing automated sensors in water tanks and coolers. On an average, 700 litres of water is being saved on a daily basis, which was lost earlier due to spillage using manual mechanisms.
- RO water waste of 4,200 litres per day is being used for cleaning and gardening purposes. Periodic preventive maintenance schedule of RO is done to ensure that lesser effluent is generated by the machines.
- Recently launched a water neutrality feasibility study in the warehouse.
- Goal to improve water-use efficiency by 20% by 2022-23.



ENERGY EFFICIENCY

- Installed 150 additional motion sensors to control lights in the storage area, racks and washroom, saving 7 KW of energy daily.
- Replaced old machinery with energy-efficient 5-star devices.
- Replaced higher wattage lights with lower wattage LED lights while maintaining light level intensity (LUX) of 350 in the warehouse. Saving 2 KW of energy daily.





PACKING

- 80% recycled material is used for packing.
- Using the material resources efficiently, with a focus on incorporating circular business practices. Carton boxes are re-used multiple times, which saves around 2,500 cartons every day.

SCRAP MANAGEMENT

Metal and wood scrap is recycled to fabricate tables and racks for operations. 1.2 tonnes of material is recycled every year. Further, the waste generated is disposed responsibly.

LEADING THE SUSTAINABLE FASHION JOURNEY – V-GREEN

By adopting sustainability, we believe we can do our bit to minimise water pollution, carbon emissions and waste generation. As a responsible corporate, we have introduced our eco-friendly V-Green range of fashion. It underscores our sustainability initiatives for our mother earth from the environmental perspective, and we are making significant investments in promoting this as a key value proposition of the Company.

We used reconditioned material to create environment-friendly products, including yarn made from recycled fabric and fibre waste. These products use 95% less water and 30% less energy, while emitting 30% less CO_2. In the manufacture of our Green Denims, we use 50% renewable energy, using less than 15 litres of water per kilogram of denim. The production process involves zero solid and liquid discharge.

The V-Green proposition will continue to be strengthened moving ahead, at the back of the Government of India's growing focus on sustainable fashion.

SOCIAL

SPREADING JOY AMONG PEOPLE - OUR SOCIAL IMPACT

For us, at V-Mart, spreading joy is a value proposition that extends beyond customers, to cover our own people and society at large.



OUR EMPLOYEE HAPPINESS QUOTIENT

As a retail business, our employees are the face of the Company and the key to shaping the perception of our customers. They are integral to the realisation of our vision and mission, and essential to the fulfilment of our strategic growth plans. We believe that the successful implementation of our growth strategy is possible only by aligning our people to our ethos and ensuring that they remain happy and satisfied. In line with this belief, we continued to invest in their growth, advancement, welfare, and well-being during FY 2022.

From Skilling to Upskilling

We launched several programmes for training and capability building of our employees during the year, including an Integration Training for our new employees who were added through the Unlimited acquisition.

Assessment Development Centre

- Collaborated with vendors to conduct assessment development for all employees
- Talent mapping done as part of exercise
- Included one-on-one discussions with department Heads and high-potential employees
- Results shared with employees & drive for Master Leaders Programme (MLP) preparation initiated

Learning on the Go

- Tied up with Actuate Micro Learning as our digital learning partner
- Covered behavioural competencies - 167 modules and 836 micro lessons
- Master Leaders Programme training assigned to the employees corresponding to their learning needs
- 57% Overall Completion

Re-ignite

- 75% of employees below the managerial level have undergone competency strengthening training
- Aim is to boost their motivation levels and realign them with their Master Leaders Programme learning journey

'LEAP'ING TO THE NEXT

Under our 'Leadership. Effectiveness. Acceleration. Programme' (LEAP), we conducted seven training sessions during the year. The average training feedback score was 4/5. The training programme comprises a 3-pronged approach:

I Lead Myself

- Growth Mindset
- Improving Self Productivity
- Learning Review
- Impactful Communication

I Lead My Team

- People Skills
- Creating Executive Presence
- Learning Review

I Lead My Business

- Organisational Alignment
- Strategic Helicopter Vision

LEADERSHIP DEVELOPMENT

- Month-long Leadership Accelerator Programme conducted in June-July 2021.
- Provided 10 hours of learning each to 56 employees, through 5 modules and 23 sub modules.
- Covered practical skills like time management, conversation and dialogue and building emotional intelligence.

Through 'Developing Leadership Presence', we provided functional training across departments, including first-time manager personnel, retail team managers and store managers.





V-G.L.O.W – PROMOTING GENDER DIVERSITY

Our women-centric programmes also focus on leadership training and promotions among women. We conducted a 4-month-long SM/ASM women leadership programme, covering 7 phases, for 22 women employees during the year. We have also tied up with Harappa Education for Women Leadership programme at the head office.

1,918

Women employees in FY 2022
(up from 1,606 in FY 2021).

Our employee diversity ethos also encompasses Persons with Disability (PwD), and during FY 2021, the number of such employees in the organisation went up 78% - from 50 to 89.

EMPLOYEE ENGAGEMENT & WELFARE

- Our employee initiatives during the year focussed on creating awareness, COVID Safety updates, work from home guidelines, PMS mailers, performance management updates, Internal Training Platform and HR-linked updates.
- We also launched various wellness programmes for our people, including V-Care Vaccination, Drive Thrive Wellness Series, tie-up with Practo (online booking of doctors), Yoga and Zumba classes, Physiotherapy, etc.
- To create a favourable environment promoting Fun@Work, we conducted the Young V-Martians Fest, Independence Day Celebration, Diwali Fiesta, Holi, Christmas and New Year celebrations, and Women's Day celebration, among others.

In 2020, we were awarded the 'Great Workplace' award by the Great Place to Work Institute, endorsing our people-friendly policies.



SPREADING JOY AMONG PEOPLE - OUR SOCIAL IMPACT

Our ethos of 'Touching Lives, Sharing Values' drives our Corporate Social Responsibility (CSR) philosophy. We remain committed to making a positive impact on the communities around which we work, and which we believe to be an important stakeholder for the Company.

During FY 2022, we focussed our CSR outreach programmes on Education, Livelihood Support and COVID care, and took several impactful initiatives in these areas.



PLAKSHA - REIMAGINING HIGHER EDUCATION

We continued to support Plaksha University in providing higher education opportunities to underprivileged students.

- In November 2021, campus launched with the founding Under Graduate (UG) cohort.
- Total of 94 students across 21 states enrolled in Undergraduate, with 32% women enrolment.
- Virtual interaction session conducted with scholars and V-Mart Senior management.
- Lecture theatre construction and scholarship support provided.
- 50% Scholarship to 9 scholars and 25% Scholarship to 8 scholars, total 17 students.

KOSHISH

- 28 student players trained.
- 101 training sessions conducted.
- Batch participated in 13 tournaments and 19 matches.
- 4 student players got admission in college for higher studies.

COMMUNITY FREE SCHOOL

- 416 children covered through 8 centres.
- Total of 7,658 sessions conducted.
- 17,781 breakfast meals and 78,819 total meals distributed.
- 86 children enrolled in formal school.



EKAL VIDYALAYA

- 5,921 children covered through 200 schools.
- Covered 7 cities and 6 States.
- 200 Rural Youth provided with Livelihood.



UJJWAL BHAVISHYA

- Total of 147 Scholarships disbursed.
- Cheque distribution at 46 V-Mart Stores, through online events.
- Covered 13 States
- Covered 88 Boys and 59 Girl scholars



COVID CARE INITIATIVES

- Contributed in setting up & running a 150-bed COVID Care Facility in Sector-67, Gurugram.
- 10 Nursing staff deputed at our COVID Care Centre situated at Sector-67, Gurugram.
- 4,500+ people facilitated vaccination in Gurugram.
- Supported Bharat Vikas Parishad Maharana Pratap Nyas for 250-bed Covid Care Centre, Gurugram.



NURTURING SKILLS TO PROMOTE HAPPINESS

As a socially responsible corporate, V-Mart has identified empowerment of underprivileged youth as a key initiative to equip such youth with the necessary skills to become employable in the retail sector. It is designed to transform their lives by giving them opportunities for progression and to make them ready to become significant partners in India's economic growth journey.

As on March 31, 2022, we are running 14 Skill Development Centres in the states of



TRIPURA
Agartala



ODISHA
Bhubaneshwar-Patrapada & Tankapani



RAJASTHAN
Udaipur, Sawaimadhopur & Jaipur



MEGHALAYA
Guwahati & Shillong



WEST BENGAL
Kolkata (2)



UTTAR PRADESH
Lucknow (2) & Mathura



HIMACHAL PRADESH
Solan



Of these, seven centres are for female candidates and five for male youth from rural communities, while two are co-educational centres.

The total capacity of our ongoing projects currently stands at 2,125, with a maximum of 528 in Rajasthan, followed by 491 in U.P, 315 in West Bengal, 245 in Odisha, 216 in Meghalaya, 210 in Himachal Pradesh and 120 in Tripura. The capacity is set to be scaled up to 2,560 with the addition of 120 seats in Bhubaneswar, Odisha in June 2022, 140 seats in Siliguri in West Bengal in August 2022 and 175 seats in Mandi, Himachal Pradesh in August 2022.

PROGRAMME IMPACT

- Till now 3,389 rural youth (1,412 male and 1,977 female) have benefitted from the programme
- More than 1.7 million meals, 4,400 courseware kits & 2,800 Tablets have been distributed to BPL (Below Poverty Line) candidates

Success Story – Odisha

MAKING THE BEST OF OPPORTUNITY



Ms. Sanjukta Dash, a young woman from an underprivileged background, was passionate about acquiring retail skills. Her passion would have remained a dream for Sanjukta, had it not been for the training she received at V-Mart Odisha, Tankapani Skill Centre. She made the best of the learning opportunity and went on to become a confident employee at the same centre, joining first as OJT Facilitator and then progressing to the role of Placement Executive. Sanjukta has come a long way from being a shy youngster and now enjoys interacting with clients to help them make the right choice as per their specific requirement. She has been working with V-Mart since February 19, 2021, and sees more opportunities for progress ahead of her, thanks to the skills and the on-job training she has gained here.

Success Story – Agartala

FINDING NEW SHADES OF HAPPINESS



For Bapparaj Sarkar from a small Agartala village, the fulfillment of his big goals had always seemed to be a distant dream. His limited resources prevented him from pursuing his vision of advancing in life after he passed out from a local school in his village. Things would have remained the same, had he not discovered about the V-Mart Skill Development training programme. He got enrolled in the programme and successfully completed the retail course at V-Mart Retail Ltd. The training opened new vistas of hope for this boy, who soon got placed at Tata Westside, Hyderabad, where he is now happily settled in his job. He cannot thank V-Mart enough for changing his life in this manner, and hopes others will also benefit from a similar opportunity.

Success Story – Kolkata

PROGRESSING TOWARDS A BRIGHT FUTURE



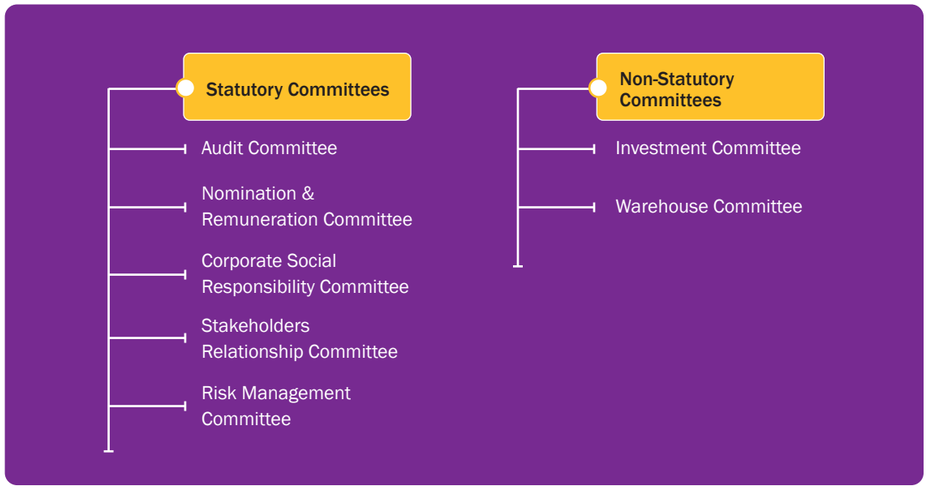
The Retail Sales Associate course at the V-Mart Retail Ltd Skill Development Programme, under the DDU-GKY project, transformed Tuyai Malik's life in ways he had never imagined. The training helped this Kolkata youngster get placement at the city's Just Dial Regional Office, where he joined the Tele-marketing department. Currently handling the company's Productivity-Marketing Department, with a pay package of ₹ 18,600/- per month, Tuyai is now living in DLF apartments as a paying guest – a feat he had never even dreamed of. He still remembers the day he purchased a new refrigerator from his own income, and the joy he got in gifting new clothes to his family members during the Bengali New Year. He is immensely grateful to V-Mart for empowering him sufficiently to be able to support his family financially. He is looking forward to a great career and a bright future ahead.

GOVERNANCE

GOVERNING EFFECTIVELY TO DELIVER ON OUR STRATEGY

The Company's corporate governance structure is centred around its core values of customer centricity, commitment, agility, integrity and prudence. We are focussed on creating a comprehensive structure that fosters clarity, integrity, fairness and transparency. Our business is crafted to care for customer aspirations, discover and nurture talent, create sustained ethical growth for stakeholders, and harness vendor relationships. We believe that good Corporate Governance practices not only ensures ethical and efficient conduct of the affairs of the Company in a transparent manner but also helps in maximising value for all its stakeholders, including shareholders, customers, employees, contractors, vendors and the society at large. We make conscious efforts to institutionalise good Corporate Governance practices and believe in going beyond adherence to the regulatory framework.

As part of our sustained efforts to become a better corporate governed entity, we have appointed Mr. Aakash Moondhra, Non-Executive Independent Director, as the Chairperson of the Company. We have also revised the composition of the statutory committees to ensure that they are all led by Independent Directors.



Age Profile



Below 50: 2/6

50 and Above: 4/6

Experience



21-30 years: 3/6

30 years and more: 3/6

Attendance of Directors in Board and Committee Meetings



Executive Directors

Non-Executive and Independent Directors

COMPOSITION OF STATUTORY COMMITTEES*

Committee	Members	% of Independent Directors
Audit Committee reviews financial statements, adequacy of internal control and risk management systems, and internal audit report. It also ensures auditors' independence and the performance and effectiveness of the audit process.	**Murli Ramachandran** (Chairperson, Independent Director), Aakash Moondhra, and Govind Shridhar Shrikhande	100%
Nomination and Remuneration Committee provides various recommendations to the Board, including the setup and composition of the Board and its Committees, and the Remuneration Policy.	**Govind Shridhar Shrikhande** (Chairperson, Independent Director), Murli Ramachandran and Sonal Mattoo	100%
Stakeholders' Relationship Committee looks primarily into the redressal of shareholder and investor complaints. It also reviews adherence to service standards adopted by the Company.	**Sonal Mattoo** (Chairperson, Independent Director), Lalit M Agarwal and Madan Gopal Agarwal	33.33%
Corporate Social Responsibility Committee formulates and recommends the CSR framework to the Board and monitors CSR budget, activities and implementation.	**Sonal Mattoo** (Chairperson, Independent Director), Lalit M Agarwal, Madan Gopal Agarwal and Aakash Moondhra	50%
Risk Management Committee ensures the implementation and maintenance of a risk management system. It also gives the Board recommendations and actions to be taken.	**Murli Ramachandran** (Chairperson, Independent Director), Aakash Moondhra, and Govind Shridhar Shrikhande	100%

*The above composition of the Committee was revised with effect from May 25, 2022.

BOARD AND MANAGEMENT



BOARD OF DIRECTORS



Aakash Moondhra

Chairperson and Independent Director

As an accomplished professional with diverse global experience, Mr Aakash Moondhra is currently the Global CFO of Naspers Fintech and PayU. Previously, he has held senior positions at Nokia India Private Limited, Baring Private Equity Partners (India) where he headed the Retail vertical, Bharti Retail Private Limited, Bharti Airtel Limited, AT&T Corporation and Snapdeal.

Mr Moondhra is a steady member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He holds a Bachelor's Degree in Commerce from the University of Delhi and an MBA from Southern Methodist University, Texas. He also attended the International Directors Programme at INSEAD in 2017 and attained the IDP-C certification for driving corporate governance at a Board level.



Lalit M Agarwal

Managing Director

Mr Lalit M Agarwal is the Managing Director of V-Mart and founded the company in 2002. He pioneered the concept of organised value retailing, focussing on affordable fashion, in Tier II, III and IV Indian cities. Mr Agarwal holds the role of the Chairman of Retailers Association of India (RAI) as well as Chairman of Confederation of Indian Industry (CII) - Retail & FMCG for the Northern Region. He was awarded the 'Retail Leader of the Year in 2018' by Indian Retail (Franchise India) and, in July 2017, he participated in the 'Champions of Change' event hosted by the NITI Aayog. Under his leadership, the company was chosen as "The world's best-performing departmental store chain" by Bloomberg in 2018.

Mr Agarwal earned a Bachelor's Degree in Commerce from Bombay University, and a Diploma in Financial Management from Narsee Monjee Institute of Management Studies (NMIMS), Mumbai.



Madan Gopal Agarwal

Whole Time Director

Madan Gopal Agarwal has more than four decades of entrepreneurial experience in the fashion retail industry. He started his career by opening a tailoring shop in the 1970s and later, opened a popular and highly successful apparel and footwear retail store in Cuttack, 'Shreeman Shreemati'. He handles strategic initiatives in merchandising for the Company, particularly in the footwear and strategy divisions. He is a mentor and a guiding force for the company. In addition, he has ensured that customer-centricity and cost-consciousness are ingrained in V-Mart's DNA.

He has a Bachelor's Degree in Arts from the City College, University of Calcutta.



Murli Ramachandran

Independent Director

Mr Murli Ramachandran is a Management Consultant and CXO Coach specialising in transformation & strategy, performance improvement, leadership development and change management. A seasoned executive with 30 years of diverse and rich experience with well-known MNCs and Indian companies. During his career, he has held key leadership positions in organisations such as TVS Capital Funds, Sanmar Speciality Chemicals, RPG Life Sciences, RPG Enterprises, KPMG Consulting and Accenture. He is also a Director on the Board of Junior Achievement (JA) India - part of Junior Achievement Worldwide™.

Murli has a BE (Hons) degree in Mechanical Engineering and an MMS from BITS Pilani. He also has an MS in Industrial Engineering from Columbia University, New York.



Sonal Mattoo

Independent Director

Ms Sonal Mattoo is a lawyer with 20 years of experience and specialises in preventing workplace harassment, diversity issues, mediation matters, matrimonial issues and negotiation. She is the Founder-Director of Helping Hands, a non-profit organisation that helps institute policies toward sexual harassment and discrimination in the workplace, as well as conducting training and investigating complaints. She is also the Founder Partner of Mantran Consultants, a firm specialising in CSR activities, Counselling, Diversity policies and workshops.



Govind Shridhar Shrikhande

Independent Director

Mr Govind Shridhar Shrikhande possesses rich cross-functional experience of more than three decades in the Textiles, Apparel and Retail industry. He has worked across the fabric-apparel value chain, and multi-format retailing, including department stores, hypermarkets, airport retail, books and music, etc. His last professional role was as the Managing Director of Shoppers Stop, where he joined in 2001 as a Vice President of the Buying & Merchandising function. He was later elevated to the Chief Operating Officer role before being named MD. Before Shoppers Stop, he was associated with Mafatlal, Johnson & Johnson, Arvind & Bombay Dyeing.

LEADERSHIP



Vineet Jain

Chief Operating Officer (COO)

A professional with over 20 years of experience managing and growing hypermarket and value fashion formats, Mr Vineet Jain is responsible for developing and executing V-Mart's operational and customer-centric strategies, enhancing employee and customer value proposition. Mr Jain is a certified CA, CS and ICWA. He is also an alumnus of IIM Ahmedabad and has done an Advanced Management Program from INSEAD, France.



Anand Agarwal

Chief Financial Officer (CFO)

As the CFO of V-Mart, Mr Anand Agarwal is a core member of the leadership team, driving growth, strategic execution and corporate governance agenda in the company. A CA and CS by qualification, Mr Agarwal has previously held leadership roles in companies like HT Media and Reebok and has also worked with Ernst & Young.



Jayesh Kothari

President (Merchandising)

Mr Jayesh Kothari has recently joined the company to lead the merchandising buying, sourcing, designing and planning process. He has over 30 years of work experience and has worked with companies such as Reliance, Vishal etc. Mr Kothari is known to be a highly impactful and well-regarded business leader in the Merchandising Domain.



M. Srinivasan

Vice President (Planning and Supply Chain)

At V-Mart, Mr M. Srinivasan established the Planning and Allocation function, helping design and implement a rule-based engine that fulfils stock replenishment and reordering requirements at the store level. He holds a degree in Chemical Engineering from A.C. College of Technology, Anna University, Chennai and a PGDM (MBA) in Finance and Operations from IIM Lucknow.



Anjali Goel

Vice President (Human Resources)

Ms Anjali Goel works closely with the stakeholders and the leadership team to design and implement HR strategy in line with the business strategy and future work scenarios. She holds a Post Graduate Degree in Human Resources from the New Delhi Institute of Management and has more than 10 years of experience in effective leadership hiring, OD & Change Management, Talent Management, Workforce Planning, Employee Engagement, Talent Reviews and Assessment Centres.



Syed Ali Athar

Vice President (CSR & Skill Development Initiative)

Since joining V-Mart in 2018, Mr Syed Ali Athar has led the Skills Development Initiative of the company. An Economics Graduate with a PG Diploma in Management, Mr Athar has served in key strategic positions in leading companies, NIS Sparta, Bharti Comtel, Centum learning & NIIT. He has work experience of around 22 years with 17 years in the acquisition and implementation of Government/Multilateral projects in the Training, Capacity Building and Skills Development Domain.



Snehal Shah

Sr. Vice President (Projects & Business Development)

Mr Snehal Shah has been with V-Mart since its inception and has been instrumental in building the retail presence of the company, and establishing key processes in New Store Operations (NSO), business development and site selection, and marketing. Mr Shah is a Commerce graduate from Mumbai University and has also earned a Certificate in Management from Crestcom, USA.



Ramesh Agarwal

Vice President (Supply Chain Management)

Mr Ramesh Agarwal has been associated with V-Mart since 2011 and is responsible for supply chain planning, warehouse and logistics operations, and FMCG planning and buying. He has experience of more than three decades as an entrepreneur and a retail industry professional, spanning multiple functions - manufacturing, planning and buying, retail operations, and supply chain management.



Jaideep Jaiman

Vice President (Analytics & Digital Transformation)

Mr. Jaideep Jaiman, Vice President Analytics & Digital Transformation is responsible for developing and executing V-Mart's digital strategy and transformation program with an emphasis on advanced analytics and AI/ML interventions. He is from the first graduating batch of IIM Rohtak and through most of his 14 years of experience, has worked extensively as a Management Consultant in areas of retail excellence, analytics, strategy and financial modelling.



Dinesh Srivastava

Assistant Vice President (Information Technology)

Mr Dinesh Srivastava has been associated with the Company since January 2011. He has more than 15 years of experience and expertise in Cyber security, IT planning and implementation. He handles all the information technology functions for the Company. He is responsible for driving the IT strategy of the Company.

AWARDS & RECOGNITIONS



Masters of Risk - Retail & Consumer Sector in Mid Cap category, at 8th edition of CNBC - India Risk Management Awards 2022



India's Best Workplaces in Retail 2022 by Great Places to Work.

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. **Aakash Moondhra** *(Chairperson, Non-Executive, Independent Director)*
2. **Lalit M Agarwal** *(Managing Director)*
3. **Madan Gopal Agarwal** *(Whole-time Director)*
4. **Murli Ramachandran** *(Non-Executive, Independent Director)*
5. **Sonal Mattoo** *(Non-Executive, Independent Director)*
6. **Govind Shridhar Shrikhande** *(Non-Executive, Independent Director)*

BOARD COMMITTEES

Audit Committee

1. **Murli Ramachandran** *(Chairperson)*
2. **Aakash Moondhra** *(Member)*
3. **Govind Shridhar Shrikhande** *(Member)*

Nomination & Remuneration Committee

1. **Govind Shridhar Shrikhande** *(Chairman)*
2. **Murli Ramachandran** *(Member)*
3. **Sonal Mattoo** *(Member)*

Stakeholders' Relationship Committee

1. **Sonal Mattoo** *(Chairperson)*
2. **Lalit M Agarwal** *(Member)*
3. **Madan Gopal Agarwal** *(Member)*

Corporate Social Responsibility (CSR) Committee

1. **Sonal Mattoo** *(Chairperson)*
2. **Lalit M Agarwal** *(Member)*
3. **Madan Gopal Agarwal** *(Member)*
4. **Aakash Moondhra** *(Member)*

Risk Management Committee

1. **Murli Ramachandran** *(Chairperson)*
2. **Aakash Moondhra** *(Member)*
3. **Govind Shridhar Shrikhande** *(Member)*

Investment Committee

1. **Lalit M Agarwal** *(Chairperson)*
2. **Madan Gopal Agarwal** *(Member)*
3. **Govind Shridhar Shrikhande** *(Member)*
4. **Anand Agarwal** *(Member)*
5. **Representative of the Treasury & Banking Department** *(Member)*
6. **Representative of the Investment Advisor** *(Member)*

Warehouse Committee

1. **Lalit M Agarwal** *(Chairperson)*
2. **Madan Gopal Agarwal** *(Member)*
3. **Anand Agarwal** *(Member)*
4. **Ramesh Agarwal** *(Member)*

COMPANY SECRETARY & COMPLIANCE OFFICER

Megha Tandon

STATUTORY AUDITORS

S.R. Batliboi & Co. LLP,
Chartered Accountants

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IGI Airport Hospitality District,
Aerocity, New Delhi - 110 037 India

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Fax: +91 11 24-4644050
Contact Person: Vikas Mehra,
Partner Membership No.: 094421
Firm Registration No.: 301003E/E300005

SECRETARIAL AUDITOR

M/s. VKC & Associates
Company Secretaries

D-38, LGF (L/S),
South Extension Part-II
New Delhi - 110 049

Tel.: +91- 99992 33556
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Contact Person: Mohit K Dixit,
Partner Membership No.: 49021
CP No.: 17827

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Tel.: +91-124-3074000
Website: www.kpmg.com/in

BANKERS

State Bank of India
ICICI Bank
HDFC Bank
Axis Bank
Kotak Mahindra Bank

REGISTERED OFFICE

V-Mart Retail Limited, 610-611,
Guru Ram Dass Nagar,
Main Market, Opp. SBI Bank,
Laxmi Nagar, New Delhi - 110 092

CORPORATE OFFICE

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Haryana - 122 016 , India.

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Fax: +91 124 - 4640046
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Website: www.vmartretail.com
CIN: L51909DL2002PLC163727

WAREHOUSE

Bilaspur, Haryana
Bangalore, Karnataka

REGISTRAR & SHARE TRANSFER AGENT

M/s KFin Technologies Limited

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Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad, Telangana – 500 032,

Tel.: 040 67162222
Toll Free: 180 0345 4001,
Fax: 040 23420814,
Email: einward.ris@kfintech.com
Website: www.kfintech.com

SENIOR MANAGEMENT PERSONNEL

1. **Vineet Jain -** *Chief Operating Officer (COO)*
2. **Anand Agarwal -** *Chief Financial Officer (CFO)*
3. **Jayesh Kothari -** *President (Merchandising)*
4. **Snehal Shah -** *Sr. Vice President (Projects & Business Development)*
5. **M. Srinivasan -** *Vice President (Planning & Supply Chain)*
6. **Ramesh Agarwal -** *Vice President (Supply Chain Management)*
7. **Jaideep Jaiman -** *Vice President (Analytics & Digital Transformation)*
8. **Syed Ali Athar -** *Vice President (CSR & Skill Development Initiative)*
9. **Anjali Goel -** *Vice President (Human Resource)*
10. **Dinesh Srivastava -** *Assistant Vice President (Information Technology)*

* The Composition of the Board Committeees were revised with effect from 25.05.2022.

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global economy

The year 2021 saw the global economy embark on a healing path. However, COVID-19 caseloads were seen surging again towards the end of 2021 and the start of 2022 at the global level, with massive outbreaks of the highly transmissible Omicron variant. Compared to the past variants, Omicron had muted impacts on the economic activities in most cases. Governments around the globe relied majorly on increased vaccinations, widespread masking, expanded testing and limits on large gatherings, instead of reimposing lockdowns. In most cases, the resurgences of COVID-19 had more muted impacts on economic activity than earlier ones.

The commodity prices soared in 2021 following the decline in early 2020, with prices of several commodities reaching an all-time high. Global energy prices surged in the second half of 2021, particularly for natural gas and coal, owing to recovery in demand and constrained supply. Meanwhile, non-energy commodity prices stabilised towards the end of 2021, close to record highs.

The Russia-Ukraine conflict has triggered a costly humanitarian crisis and economic damage leading to a significant slowdown in global growth in 2022. The economic costs of war are expected to spread further afield through commodity markets, trade, and financial interlinkages. Global growth is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. Inflation was already on the rise in many countries in 2021, owing to supply-demand imbalances and policy support during the pandemic. The problem was further exacerbated by the conflict, hitting the developing countries the hardest.

With persistently high inflation, it is more likely that inflation targets of most central bank will be breached, prompting a more aggressive tightening response from the policymakers. The US Federal Reserve and other central banks, like the RBI, have already begun to tighten rates in the wake of rising inflationary pressure. Fiscal space, which was already facing pressure in many economies, is likely to face added pressure given the surge in commodity prices and the increase in global interest rates, especially for oil- and food-importing emerging markets and developing economies.



Although the price of oil has risen sharply and substantially increased the input costs, the spare capacity in other countries and the release of petroleum reserves may help contain prices over the medium term.

Beyond 2023, global growth is forecasted to decline to about 3.3% over the medium term. Conflict-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies. The sharp increases in commodity prices may cause stagflation, a period of low growth (stagnation) and high inflation. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential. Amid the continuing uncertainties, the possibility of a short recession cannot be completely ruled out.

Source: IMF World Economic Outlook, April 2022; World Bank, January 2022

Indian economy

India is set to remain one of the fastest-growing economies in the world. According to the provisional estimates by the National Statistics Office (NSO), the GDP growth rate is pegged at 8.7% for FY 2022 with minimal damage caused by the third wave of COVID-19 and the geopolitical conflicts between Russia and Ukraine. However, over the medium term, growing global inflationary pressure and supply chain bottlenecks created due to geopolitical tensions and the re-emergence of heavy viral load in China and other countries may pose risk to growth.

Driven by strong macroeconomic factors, India is one of the fastest growing economies globally and the fourth largest retail market in the world. It provides a strong platform for consumers, distributors, manufacturers and ancillary sectors like transportation, logistics, cold chains etc. Led by growing disposable incomes, growing middle class, rapid urbanization, increasing number of dual-income families, and a demographic profile tilted towards the youth, the GDP is set to multiply, which in turn will boost the retail sector growth.

With consumer inflation rising, RBI has tightened its monetary policy to maintain a balance between inflation and growth. With growing inflationary pressure due to the Russia-Ukraine conflict, retail inflation touched 6.95%, the highest in 17 months, and the Wholesale Price Index (WPI) hit 14.55% in March 2022 amid surging fuel and food costs. Besides inflation, the marginal cost of funds lending rate is rising with interest rate tightening.

As per the Economic Survey, India's total consumption is estimated to have grown by 7% in FY 2022 with government consumption being the biggest contributor. The government consumption was estimated to grow by a strong 7.6%, thereby surpassing the pre-pandemic levels. Private consumption is also estimated to have improved significantly to recover 97% of the corresponding pre-pandemic output level. The consumption was supported by a sharp rebound in high-frequency indicators like Index of Industrial Production (IIP) Consumer Durables.

Private consumption is witnessing a stronger recovery with rapid coverage in vaccination and faster normalisation of economic activity. RBI had earlier flagged that private consumption's share in GDP was still a little below pre-pandemic levels, going by FY 2022 estimates. The S&P Global India Manufacturing Purchase Manager's Index (PMI) showed that the manufacturing industry in India had a strong start to FY 2023, posting a marked expansion in new orders and production. GST collections were less impacted during the second wave of the pandemic in the first half of



FY 2022 than during the first wave, which had severely depressed revenue in the first half of FY 2021. Revenue receipts significantly improved in the latter half of FY 2022 as the economy recovered and pent-up demand drove consumption. The growth in GST revenue collection in recent months highlights the revenue collection potential of the new indirect tax system offered by leveraging technology-linked compliance requirements.

According to the RBI, India's GDP growth is expected at 7.2% in FY 2023, supported by various dynamic reforms undertaken by the government during the past two years. The major headwinds for FY 2023 are geopolitical conflicts, high inflationary pressure and renewed coronavirus variants-induced waves of infections. The percolation of ease of doing business at the factory level would go a long way to enhance the size of the economy to USD 5 trillion by FY 2027.

Industry body PHDCCI in its report, titled 'Economy to Resume Normal Growth Curve in 2022-23', suggests refueling consumption demand to have a multiplier effect on production possibilities, private investments and employment creation. The Production Linked Incentive (PLI) Scheme is expected to play an instrumental role in accelerating domestic manufacturing capabilities and strengthening economies of scale.

INDUSTRY OVERVIEW

Indian Retail sector overview

The retail market in India was valued at USD 492 billion in FY 2015 and reached a value of USD 796 billion in FY 2020, growing at a 10.1% CAGR. The disruption caused by COVID-19 not only contracted the economy but also the Indian retail sector which was valued at USD 748 billion in FY 2021. The sector employs approximately 8% of the Indian workforce. Post opening up of the economy, the Indian retail sector has posted a robust recovery led by the wedding season, festivities and pick up in social gatherings. However, the recovery has not been geographical and was influenced by the pandemic plan adopted on a state-to-state basis. The northern and southern regions recovered almost completely, while recovery in the eastern region, especially the northeast, has been bumpy since the north eastern region was persistently suffering from high incidences of COVID-19 infections. Similarly, Maharashtra lagged behind in retail recovery as compared to other regions.

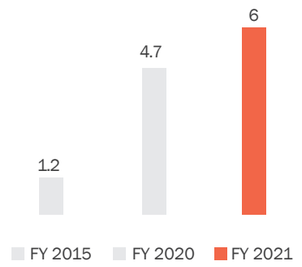
The Indian retail sector is the fourth largest retail market in the world. India ranks among the best countries to invest in the retail space and was ranked No. 2 in the Global Retail Development Index (GRDI) in 2021. Factors such as a large population, a middle-income class of approximately 158 households, increasing urbanisation, rising household incomes, connected rural markets, and rising consumer spending make India an attractive destination for retail investment. These factors are attracting increasing participation from foreign and private players which will help boost retail infrastructure, especially in tier II and III cities which present huge growth opportunities.

According to McKinsey's Fashion report, the first half of 2021 witnessed sharp decline in consumer sentiment. The suppliers in the fashion industry also faced severe disruptions. Although household spending declined during the pandemic in FY 2021, it is expected to recover quicker and witness much higher growth in FY 2022. By September 2021, India's retail sales reached 96% of 2019 levels aided by a strong festive demand and returning of elaborate wedding functions which had been curtailed during the pandemic.

The share of organized retail in India still remains low at 12% (USD 90 billion) in FY 2021, though a slight improvement from 11.9% share in FY 2020. FMCG, apparel & footwear, and consumer electronics are the largest retail segments.

India has witnessed a stupendous growth in the internet penetration rate and mobile connectivity, resulting in an increased online presence of the Indian population and an e-commerce boom. Coupled with the option of multiple payment methods like cards, cash, wallets, and UPI, increasing e-commerce transaction security, has led to increasing trust in these payment systems. The option of easy returns at e-commerce portals has led to the trial of products and services by customers

Share of Ecommerce in Indian retail (%)



of non-Tier-1 markets. As COVID spread, consumers preferred to shop from home to avoid crowded marketplaces.

Retailers across categories are moving towards online channels to expand their offerings, in an attempt to have a place in the omni-channel ecosystem where all channels of retail are essential to reach the consumers.

The Indian retail sector is expected to grow at 9.5% CAGR to reach USD 1,077 billion by FY 2025 and ~1.5 trillion by FY 2029-30, driven by socio-demographic and economic factors such as urbanisation, income growth and rise in nuclear families. In FY 2021, India's retail sector was 48.5% of its private consumption and it is expected to roughly maintain this for the next five years. The organized retail penetration is expected to increase to ~20% by FY 2025. Major retail categories such as apparel & accessories, consumer electronics and home & living are expected to drive the increase in organised retail. E-retail in India has witnessed a rapid growth trajectory and

Hence, the share of total retail through e-commerce has increased from 1.2% in FY 2015 to 4.7% in FY 2020 and 6% in FY 2021. However, this is still very low as compared to other countries such as the UK and US where online retail contribution to total sales stood at 26.2% and 19.1% respectively in 2020.

is expected to reach 9.6% (USD 103 billion) of total retail by FY 2025 from its share of 4.7% in FY 2020 (USD 37.4 billion), expected to grow at 23% CAGR. India is expected to become the third largest online retail market by 2030, crossing the USD 350 billion mark of the annual gross merchandise value.

Source: Retail Industry in India - Indian Retail Sector, Market Size (investindia.gov.in); Technopak's Industry Report on Women Indian Wear Retail in India dated March 28, 2022

Indian apparel industry overview

The apparel market in India was estimated at ~USD 45 billion in FY 2021 and is one of the larger segments of the Indian retail sector. E-commerce sales in the apparel and accessories segment grew from 3.5% of total sales in FY 2015 to 17.5% in FY 2020. Organized retailing share of apparel has increased from 14% in FY 2006-07 to 32% in FY 2020. This reflects that organized retail not only captured the new incremental demand but also succeeded to shift the demand away from unorganized apparel retail in its favour. Given the fact that organized retail sells branded apparel, the growth of organized retail is likely to be a key growth enabler for the growth of branded apparel.

The apparel category has traditionally been dependent on trial for size and touch-feel of the fabric to assess and make the purchase decision. With the recent sharp rise in e-commerce sales, consumer behaviour changed drastically. There was an increase in the adoption of online channels for standardized apparel products due to high predictability and reliability. Companies and consumers alike adapted to this change resulting in the use of various online mediums like apps, websites, and social commerce channels like WhatsApp, etc. Companies also accelerated their online adoption plans, and use of AI and software, which would enable virtual try-on.

Women-wear holds the majority share of the e-commerce fashion market with a 50% market share in FY 2021. The segment reported 30% order volume growth in FY 2021 as compared to the previous financial year. The kids' wear segment posted over 200% order volume growth with the market share increasing significantly from 3% in FY 2020 to 17% in FY 2021.

Men's apparel constituted ~41% and women's apparel share was ~36% of the total apparel market in FY 2020. The balance ~23% is contributed by kids' apparel. Out of the total apparel market, Indian wear accounted for approximately 31% in FY 2020 while 69% of the market comprised of western wear. The high share of Indian wear in total apparel is a unique feature of the apparel market in India. In the women's wear market, Indian wear contributed ~71% to the total market and is expected to be the fastest growing segment in the Indian apparel market. However, for men and kids, the contribution of western wear is significant.



The share of apparel and accessories in overall retail is expected to increase from 8.3% in FY 2020 to 9.3% in FY 2025. Apparel and accessories are the highest growing sector in the retail basket, growing at a CAGR of 22.2% from FY 2021 to FY 2025. The share of organized segments is expected to increase further to ~45% by FY 2024-25 and will continue to support the growth of branded apparel as well. While online penetration is relatively lower for women's wear as compared to men's wear in India, the demographics appear promising and an increase in sales through online channels is expected by 2025. The share of online retail in the apparel segment grew from ~4% in FY 2015 to ~18% in FY 2020 and is expected to reach ~22% by FY 2025.

Source: Online fashion industry in India grew by 51 pc in FY21, says report (yourstory.com); Technopak's Industry Report on Women Indian Wear Retail in India dated March 28, 2022.

Value fashion segment

With a large middle-class population, India is a huge market for value fashion which is estimated at USD 34 billion in FY 2020. Similar to the overall fashion segment, the pandemic impacted the growth of value fashion as well, slowing it down to ~6% CAGR in FY 2021. The value fashion segment accounted for ~60% of the overall apparel retail market; with premium and super-premium segments accounting for almost 16% and the remaining being contributed by the low-value segment. Value retail is focused on meeting the aspirations of the consuming class in the country. The value fashion segment is dominated by women-wear and kids-wear while being adequately represented in the premium segment.

Within the value fashion segment, the branded value apparel and organized value apparel retail find greater acceptance. In the coming years, these sub-segments are expected to grow at twice the pace of the overall category growth. As more organized players strive to provide quality fashion at affordable prices in the economy and mid-segment, the value fashion segment is expected to grow sustainably. Large format stores offer value fashion solutions for the entire basket of family needs, which helps to attract first-time users of branded products. Such offerings also have high appeal for the conscious middle-class consumers who seek quality fashion at affordable prices.

Millennials and Gen Y and Z customers (14-40 age group) residing in tier II, III and IV cities in urban and semi-urban areas form a large addressable market for value apparel retail. Bound by limited purchasing power, youth from households with an average annual income of USD 5,000–10,000, are fashion conscious, value and quality seeking. Value fashion segment players tend to target this group with a variety of value fashion apparel brands based on the consumer's socio-economic conditions, purchasing power, demographic details and customer trends.

Key trends

Sustainability

Sustainability is a major trend emerging in the fashion industry as consumers are increasingly becoming environment conscious. This has been pushing the brands to adopt eco-friendly practices. Using organic fabrics and natural dyes along with engaging in recycling and upcycling are some of the popular initiatives. The players are also focusing on ensuring that there is no wastage at the end of the life cycle along with enabling offset shipping costs with carbon credits.

Fashion to become inclusive

The rise in normalizing plus-size clothing has paved the way for fashion to become more inclusive. Following the trend, many designers and brands are becoming more size-inclusive. Plus-size clothing is gradually carving a dedicated market for itself.

Boost in rural income

While the rural economy was more impacted by the disruptions caused by the pandemic, strong Government support since the beginning of the pandemic has helped the rural economy stay afloat. In addition, the past two years have witnessed a normal monsoon season which is critical for rural incomes. With expectations of a normal monsoon season in 2022, rural disposable income is bound to increase. This bodes well for the value fashion segment as aspirational rural youth tend to spend on fashion.

Wardrobe reboot with value fashion

Consumer demand for loungewear and sportswear is dwindling after two years of attention on these categories as more people return to work and formal events are reintroduced to social calendars. Firms are finding it imperative to depend more on data-driven product creation to capitalise on new shopping patterns. Fashion assortments are aligning with changing customer lifestyles by modifying their inventory mix. Consumers are increasingly demanding value apparel as they look for more variety but within a budget.

Readymade clothing

Trending ready-made fashion brands have occupied a major part of the online retail space which itself is growing expeditiously. Right from the women's readymade ethnic kurtas to men's casual and formal wear, the trend is growing in a big way.

Smaller towns, becoming big fashion markets

Online shopping has blurred many geographical boundaries, with increasing access to tier II and tier III cities in the same fashion as that to tier I cities. Though adoption of e-commerce in smaller towns was slow at first, it quickly caught up with guided online purchases, coupled with easy returns and exchange options, becoming increasingly prevalent. While these consumers are value-conscious, they look for quality fashion giving huge opportunities to middle and economic segment fashion brands.

Opportunities

Overall fashion demand on a rise

Strong macroeconomic factors like growing young population, rising disposable income, more dual-income families, rapid urbanization, good monsoon-led rural income, growing internet penetration, proliferation of social media, etc work in favour of growth in the overall fashion retail market.



E-commerce boom continues

Since the outbreak of the novel coronavirus, e-retail has gained significant prominence including in the apparel and fashion industry. Clothes being one of the basic amenities, there was a heavy demand of apparel online even during the preventive lockdown. With most conveniences, like buying clothes and return/exchange of items, being made available online, the online apparel industry is expected to boom at a rapid pace.

Key challenges

Disruption in supply chain

Global manufacturing conditions remain complicated with the ongoing Russia-Ukraine conflict and continuing spread of COVID-19, leading to global logistical bottlenecks, production delays, high shipping costs, and material shortages. Inflationary pressures can be triggered by a combination of resource shortages, transportation delays, and increased shipping prices impacting the supply chain.

Increase in input costs

Fuel price hikes and the ongoing supply chain disruption have contributed to an increase in transportation costs, leading to an increase in commodity prices. Both Consumer Price Index (CPI) and Wholesale Price Index (WPI) are rocketing due to the global disruption. The increasing energy bills have also led to rentals surging.

Fast-changing fashion

With the way of life-changing rapidly from work from home to now back to normal, consumer preferences and wardrobes are rapidly changing. Retailers have to better manage inventory to effectively address the ever-evolving consumer demand and preferences. As consumers become more impulse-driven and aspirational, retailers have to be on their toes to adapt to the fast-changing fashion amidst increasing competition.

COMPANY OVERVIEW

Company brief

Founded in 2002, V-Mart Retail Limited (the Company), a pioneer of the value retail segment in India, has emerged as a pan-India retail store chain catering to the aspirational needs of the consuming class, especially in tier II and III towns and cities. The Company caters to the needs of the complete family, offering fashion apparel, footwear, home furnishings, general merchandise and FMCG. Primarily focusing on Tier II and III cities, 380 stores as on March 31, 2022, 73 UL stores in 25 states and 236 cities.

Company follow the concept of 'value retailing', by fulfilling the growing aspiration of the rapidly-expanding middle class for affordable, high-quality fashion. Being one of the pioneers in the value retail segment in India, the Company offers a wide assortment of products based on the consumers' socio-economic conditions, purchasing power, demographic details and consumer trends. The Company primarily operates in three segments - apparel, non-apparel and FMCG.

Our stores, in untapped markets, provide customers with an enhanced shopping experience, consisting of a vast range of superior quality value retail products, mainly fashion merchandise, in a modern ambience giving the feel of a large retail mall. Fashion and affordability are unique propositions of the Company.

The Company caters to the fashion needs of men, women, boys, girls and infants with a primary focus on ethnic, fusion, and western wear for women; formal, sports, and casual wear for men; and kids' wear in various colours, and designs, in the apparel segment. Non-apparel offerings include bags, toys, footwear, crockery and utensils, among others. Packaged food and non-food products form the FMCG segment.

We have a modern centralised warehouse laden with technology and latest equipment to enable process efficiencies and enhanced profitability. To rapidly cater to changing consumer needs, the Company has in place, a robust logistics network, updated systems and processes and strong information technology (IT) infrastructure, keeping in mind its 'value' proposition.

Mr. Lalit M Agarwal, Promoter, Managing Director, along with an experienced senior management team, has been instrumental in the success journey of the Company. His foresight and formidable management skills enable to create shareholder value.

Operational performance

Amidst a highly volatile environment, companies around the world have exhibited resilience in dealing with the crisis. As the nation unshackles itself from pandemic-related restrictions gradually, the Company is confident of full recovery.

During the year, the Company continued to focus on new store launches, the inclusion of more and more growth from private labels, and a deeper focus on revitalizing its omni-channel strategies.

The Company is investing significantly in ramping up its warehousing capacity and improving the technology backbone to realize higher efficiencies. For the upcoming spring-summer collection in 2022, the collection has been enriched by the inclusion of theme-based apparel like Tie & dye, floral in T-shirts, incredible nature in ethnic, joyful jungle in infants etc.

The Company is looking to launch a new range of high fashion t-shirts, Indigo collection denims, joggers, ladies tops, shorts, salwar suits, dresses, solid woven skirts for girls and kurtis along with a new kids summer collection, with an emphasis on vibrant and pastel colours and silhouettes. This will give shoppers a wide choice of fabrics and form a perspective of improving consumer-centric fashion aspirations.



During the year, the Company acquired the Unlimited business from Arvind Lifestyle Brands, a wholly-owned subsidiary of Arvind Fashions for cash by way of an Asset Transfer Agreement. V-Mart acquired fixed assets of all running stores and warehouses, leases, less than 1- year-old inventory, and other current assets of the Unlimited business along with the store brand 'Unlimited'. The acquisition allowed the Company to expand its geographical footprint in South India with the acquisition of successfully running 74 store locations across 6 new states with an area of 7.8 lakh sq ft. The acquisition is value accretive as V-Mart gained access to existing customer footfalls and a strong loyal customer database of Unlimited, in addition to established warehouse and supply chain logistics, the entire skilled front-end operations team, strong brand-inspired product development capability along with select experienced backend team. This will allow it to leverage larger sourcing volumes, vendor consolidations and benefits of scale. Unlimited's product strengths and V-Mart's 'value' retail focus are expected to complement growth potential.

Amidst the rapidly changing business landscape, the Company has been prompt in responding to the importance of being a digital business. The Company strived to manage the expectations of customers as well as internal functions to ensure that investments in analytics and technology improve the current business model. To provide a seamless shopping experience to customers, the Company continues to enhance its omni-channel platform. The Company remains committed to leveraging its digital marketing channels and analytics to drive business operations.

We continue to build the base for online operations strongly, improve the offerings, the product assortments, customer interactions, offer guaranteed deliveries and use a lot of digital transformation tools to understand customer preferences. The Company also resorted to digital marketing during the year and increased its focus on online presence in all forms. The Company is confident in increasing the online share of the overall business mix to at least 5% in the next two to three years.

The company made a strategic change in its leadership structure, with the role of chairman and managing director now being split. During the year, Mr. Aakash Moondhra was appointed as the Chairman of the Company further improving the corporate governance framework, while Mr. Lalit M Agarwal continued in his role as the Managing Director.

Financial performance

The Company follows the accrual basis of accounting under the historical cost convention. Its accounts were prepared on the basis of Indian Accounting Standards (Ind AS) as per Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and relevant amendments thereafter.

- Balance sheet net worth increased from ₹ 82,523 lakhs as on March 31, 2021 to ₹ 84,962 lakhs as on March 31, 2022
- Bank borrowings remained nil as on March 31, 2022
- Total income increased 53% from ₹ 109,650 lakhs in FY 2021 to ₹ 168,013 lakhs in FY 2022 reflecting a sharper growth from a significantly COVID impacted last year
- EBITDA for FY 2022 increased 56% from ₹ 13,121 lakhs to ₹ 20,433 lakhs
- Profit after tax stood at ₹ 1,164 lakhs in FY 2022 as compared to profit after tax (loss) of ₹ (620 lakhs) in FY 2021

Working Capital Management

- Current assets as on March 31, 2021 stood at ₹ 88,193 lakhs including inventory of ₹ 42,831 lakhs, as compared to ₹ 89,835 lakhs including inventory of ₹ 66,822 lakhs as on March 31, 2022
- Current liabilities stood at ₹ 26,319 lakhs as on March 31, 2021, as compared to ₹ 39,606 lakhs as on March 31, 2022
- Cash and cash equivalents stood at ₹ 2,380 lakhs as on March 31, 2021, as compared to ₹ 3,304 lakhs as on March 31, 2022

During the year, the Company opened a net of 101 new stores taking the total store count to 380, growing the total retail area by 43% to 33 lakhs sq ft at the end of FY 2022.

The company remained debt free with comfortable cash reserves for meeting future growth plans.

The Company was adjudged as one of the Top 10 Best Places to Work in Retail in India, by Great Places to Work and also won the 2022 CNBC Masters of Risk award for the Retail and Consumer sector in the mid-cap category.

Key ratios	FY 2021	FY 2022
Inventory sales days	119	110
EBITDA margin (%)	12.20	12.26
PAT margin (%)	(0.58)	0.70
Lease and rental cost (% of total revenues) (%)*	6.06	5.28
ROCE (EBIT/Average capital employed) (%)	4.35	5.70
D/E Ratio (including lease liability)#	0.69	1.06
Working capital ratio	3.35	2.27
Inventory turnover ratio (COGS)	1.60	1.99
Return on assets (%)	(0.44)	0.62
Return on equity (%)	(0.97)	1.39

* Based on rental payments elimination the impact of IND AS 116 and after rent concession received from landlord.
\# Total Debt includes lease liability both current and non-current



Strengths	Business Strategies	Opportunities	Threats
▪ Cluster-based expansion model focused on Tier-II and Tier-III towns and cities ▪ Affordable merchandize targeted at youth and young families ▪ Strong and diversified procurement network with an efficient supply chain management ▪ Large base of loyal customers ▪ Competitive lease rentals ▪ Robust financial performance track record ▪ Experienced and qualified management team	▪ Concentric expansion, focusing on deeper penetration in core geographies ▪ Increase focus on women's wear ▪ Develop and grow private labels portfolio ▪ Continued refinement of store model ▪ Relevant and differentiated brand and value proposition ▪ Technology and digital led continual improvement in operating efficiency	▪ Scope of growth in core geographic clusters ▪ Gain market share through differentiated value proposition ▪ Gain share in adjacent categories where there is high traction and loyalty ▪ Omni-channel platform with a strong focus on e-retail ▪ Leveraging Unlimited brand to grow in Southern and Western India ▪ Establish brand in distant locations through tie-ups with marketplaces like Myntra and Amazon ▪ Capturing customer mindshare through strong social media presence with drives such as 'Love for fashion every occasion' ▪ Use of technology to improve back end and inventory management	▪ Increased cost due to external factors and limited ability to pass on the incident to the customers ▪ Uncertainty due to the possibility of disruption due to future infection waves of COVID ▪ Growing competitive intensity from both online and physical players, especially in our key markets ▪ Increasing penetration of bigger brands to tier III and IV markets via marketplaces

HUMAN RESOURCE DEVELOPMENT

People are believed to be the critical assets of business continuity. The Company strives to strike a balance between personal growth and professional learning and growth by offering a safe, conducive and productive work environment. It values its skilled and professional management team as a key element for growth. To further improve business efficiency, devise prudent strategies, set up robust systems, and become agile and dynamic to suit evolving industry requirements, the Company relies on its experienced and talented employee pool. The Company provides regular skill and personnel development training to improve efficiency and keep employee morale high.



Customer centricity, creativity, innovation, and a process-driven approach are core values of the organization that are deeply ingrained in all employees alike. Open door policy coupled with employee-friendly HR policies leads to a strong sense of belonging among the employees. The Company is committed to addressing any employee issue within 24 hours. Such a strong work culture helps to attract, retain, and develop a strong employee base imperative for business growth. During the year, the Company conducted various learning and development programmes like Re-ignite, "LEAP"ing the Way, Learning On The Go.

The Company strives to retain its high performers and overall attrition. The Company was certified by Great Place to Work® Institute as 'Great Place to Work' in FY 2020 and FY 2021. The Company remains committed to protect the privacy and personal dignity of every employee. It had a total of 8,167 permanent employees as on March 31, 2022.

INTERNAL CONTROL

The Company has devised a robust internal control framework to safeguard the Company in keeping with the size and complexity of operations. The internal control systems are effective in:

- Safeguarding assets and infrastructure,
- Ensuring high operational efficiency,
- Optimal utilisation of resources,
- Robust financial management,
- Strict compliance with all applicable laws and regulations,
- Ensure higher transparency in financial reporting, and
- Efficient and periodic reporting to the management enables timely decision-making.

The Company reviews and tests the robustness of the internal control system, covering all functions and business areas, at regular intervals.

To protect the company, an internal control framework has been established that is robust and suited to the size and complexity of operations. The system is responsible for assuring compliance with operating systems, internal policies, and legal requirements, and suggesting improvements to systems and processes. The Company reviews and tests the robustness of the internal control system, covering all functions and business areas, at regular intervals.

For efficient business control and financial reporting, the Company has in place robust ERP Systems which enable desired division of duties and appropriate tiered approval mechanisms. Elaborate SOPs and operational transactional controls help in the effective maintenance of supporting records. The Management information systems and internal control procedures enable effective monitoring of business operations and overall compliance. To safeguard against potential inadequacy or failure of internal processes or systems, the Company has adequate controls in place. With expanding business, the senior management sets the tone at the top of no tolerance for non-compliance and promotes a culture of continuous innovation and improvement. The Company ensures that repetition or compounding of errors is as minimum as possible.

The Company believes in conducting business ethically and responsibly. To ingrain the value system as an inseparable part of operations, periodic knowledge sharing & training sessions and e-learning courses are rolled out to increase the awareness of the Code of Conduct and key policies of the Company.

The internal control systems are periodically reviewed by the management. Any significant deviations from the annual planning and budgeting and business outlook, including capital expenditure, are reported to the Board, at least every quarter. The Company has appointed KPMG as the Internal auditor. The Internal Audit plan is approved by the Audit Committee at the beginning of every year. The Internal Audits are oriented toward the review of Processes, controls and risks in the business operations. The periodic audits by the Internal Auditors are submitted to the Audit Committee, responsible for proper review and implementation of the suggestions made in the audit. Auditor reports are acknowledged by the Board as an independent check on the information received from the management on business performance.

The Control Self-Assessment (CSA) process, whereby management assurance obtained from process owners is used to assess internal controls, helps the Company in making process improvement plans, identifying focus audit areas, and designing the audit plans.

Despite this, all instances of non-compliance or every suspicious transaction, may not always be detected and the Company's business may be exposed to losses due to failures or inadequacies of internal controls systems.

During the year, the Company's internal financial controls regarding the financial statements were adequately assessed based on the essential components of Internal Controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. As per the Companies Act 2013, all the key internal controls related to both financial reporting and operational controls have been documented and tested.

ENTERPRISE RISK MANAGEMENT

The significance of a robust and resilient risk management framework has unprecedentedly increased in the last two years, especially in managing disruptions emerging from a rapidly changing ecosystem. The Company constantly monitors the operating environment to identify and manage emerging risks. It believes that risk management is imperative to the realisation of the strategy and long-term goals and effectively harnessing the emerging opportunities in the markets is essential for success.

The Company has an Enterprise Risk Management (ERM) framework in place, which not only addresses the business needs but also facilitates identifying, evaluating, mitigating and monitoring potential risks that may impact the realisation of strategic and business objectives. The Company's ERM framework is based on the best practices & principles of COSO and ISO 31000 and is driven by the Board's oversight, organisational culture, capabilities, and leading practices. The framework also enables in creating, preserving and realising value effectively and thus enables the integration of the business strategies and performance processes.

The risk management framework is guided by the Risk Management Committee of the Board, comprising and led by the Independent Directors. The Risk Management Committee meetings are held quarterly to assess and monitor significant risks and mitigation measures. The Committee closely monitors the adherence to ERM Policy and processes within the organisation, and provides insights for effective risk management. The composition, responsibility and details of the Committee are enumerated in the ERM Policy and Statutory Section of the Integrated Annual Report.



The Company's Integrated Risk Assurance & ERM framework enables it to:

- Harness and maximise opportunities by taking risks responsibly and as per the risk appetite
- Reduce the impact of disruption and leverage opportunities for augmenting performance
- Strengthen & achieve synergy among the three lines model and optimise resources
- Enhance enterprise resilience amid increased business complexities and uncertainties



Embarking on the journey to adopt the leading practices in managing risk, the Company has been recognised and awarded as the 'Masters of risk-retail & consumer sector' in the Mid Cap category at the 8th edition of The India Risk Management Awards. This award recognizes the organisations and teams that have significantly added to the understanding and practice of risk management in India.

The Company's robust risk management policy helps in mitigating and minimizing the impact of potential risks through early identification, advanced future planning, and leading and controlling business operations. The Company keeps all its stakeholders duly informed and ascertains them for adequate protection against significant business risks.

A summary of key risks posing near-term challenges to the business performance along with the mitigation measures is stated below:

Key Risks	Mitigation Measures	Capital(s) affected	Changes in Risk
Changes in Consumer Preferences The changes in the global and geopolitical environment can adversely affect the operating environment and may lead to rapid inflation, a constrained global supply chain, and increased cost pressures. Such events could dampen consumer interest in visiting retail stores and/or cause inflationary pressure to lower the priority to spend on fashion. Inflation-led reduction in the disposable income of customers and increased product prices can adversely affect discretionary shopping. Also, the pandemic has significantly affected the buying behaviour of customers and the rapidly changing fashion continues to pose a challenge as well as an opportunity to constantly innovate products & offerings to meet the changing needs of customers.	▪ We are optimising our supplier relationships and strengthening our Supply Chain for harnessing new opportunities while reducing sourcing cost with the availability of better & relevant merchandise ▪ Price Points sharpening across the products to reduce the increased cost incidence on our consumers ▪ Extensive research was undertaken to obtain customer insights with changes in product assortments as per evolving customer behaviour		

Key Risks	Mitigation Measures	Capital(s) affected	Changes in Risk
Increased competition and growing online presence Lucrative growth prospects of our key markets may attract further competition, challenging the company's market pre-eminence in value fashion retail. The business may also get affected by the intensifying competition with increased penetration by both local and national level retail players, wholesalers, and e-commerce competitors. Customers' preferences are changing and they are actively using online channels for the accomplishment of fashion aspirations. Further, disruption in online business models and increasing social e-commerce may also impact our aspirations to grow as an 'omni-channel retailer for Bharat'.	▪ Based on the cluster-based expansion strategy, making our strong propositions stronger by increasing density in our key markets ▪ With the addition of 'Unlimited' as a distinguished fashion-centric offering for the newly-acquired southern markets, the integration synergy has emboldened your Company as a pan India retailer ▪ Value chain revamped for future-ready omni-channel expansion along with the launch of fashion products on marketplaces ▪ Continuing to embark on a sustainable business model with convergence to a truly omni-channel retailer with Integrated Offline, Digital and Marketplace channels		
Talent attraction and retention An organisation's performance depends on the availability of superior talent and their productivity. The human capital cost has substantially increased due to post-pandemic pent-up demand and competition for acquiring competent & skilled talent. Inability to retain, upskill and acquire workforce for the future may inhibit plans to achieve the desired strategic and operational objectives.	▪ In-depth studies to analyze attrition and devising retention strategy ▪ Developed a succession pipeline for leadership and other key roles ▪ Regular communication and engagement with employees to create a positive working environment ▪ Performance-linked ESOP scheme instituted for retention of performing employees with long-term wealth creation for all stakeholders		
Information and Cyber Security Nextgen technology has become an inherent foundation of business operations. With increased dependency on the solutions managed by business partners and a host of technology-led models, there is a significant increase in overall cyber threats, vulnerability and external attacks. Such cyber-attacks, unauthorised access, privacy breach, data leakage, the possibility of misuse, or operational disruption may lead to the loss of sensitive information and significantly disrupt business operations.	▪ Cyber-security framework in place with robust firewall and threat monitoring systems ▪ Antivirus and IDS (Intrusion detection system & Intrusion prevention system) in place ▪ Security Management systems, processes & controls in place ▪ 'Zero-trust' implementation in process ▪ Non-Disclosure agreements and Data protection contracts implemented ▪ IT infrastructure is constantly assessed and upgraded for business continuity and process resilience ▪ Periodic process reviews and VAPT assessments to ensure process adherence		

Key Risks	Mitigation Measures	Capital(s) affected	Changes in Risk
Environment, Social and Governance There is an increased need to adopt an integrated framework to imbibe sustainability, social, governance & compliance and environmental aspects as an integral part of business operations. While your Company is committed to adopting leading ESG standards and practices, there is a possibility of occurrence of assessment, transition and implementation risks across processes, including our value chain partners. Moreover, there is an increased complexity with the availability of multiple frameworks, and a lack of sector-specific disclosures and reporting mechanisms. *ESG Risks are detailed in the Business Responsibility & Sustainability (BRSR) Reporting Section.*	▪ Integrating sustainability and business strategies and voluntarily adopted BR&SR framework for reporting - subsequently annexed ▪ Cross-functional teams are leading entity-wide ESG initiatives as per a project management-based framework ▪ Integrating ESG risks with risk management framework through: ▪ Aligning Governance Structures, Risk Ownership, ESG practices, and Compliance to Reporting requirements ▪ Building assurance lines on Sustainability KPIs		
Legal and Regulatory The Company has to comply with multiple dynamic state laws and statutes because of the pan-India nature of its operations. It is imperative to respond to unprecedented changes in labour, taxation, environment, governance, disclosure and regulations with agility. In case of any oversight or inadvertent non-compliance of any statutory rules & regulations or negligence, the company may face inquiries, damages, fines, criminal sanctions and litigations.	▪ Centralised monitoring of Licenses and regulations ▪ An experienced & proficient team monitors local regulations with support & opinions from legal experts on a need basis ▪ Strict compliance with relevant laws and legal obligations and monitor key changes in legal regulations ▪ Conducting training & awareness programmes for changes in laws for imbibing compliance as a way of managing operations ▪ A comprehensive and integrated Governance, Risk and Compliance system is under Implementation		
Social media, brand, and reputation A strong social media is essential in today's highly digital world. Effective management of social media and other internet-based applications is crucial to remain relevant to the customers and interact with them. With the increased vulnerability of miscommunication in social media interactions, any negative social media communication may get amplified and affect the brand or reputation of the company undesirably.	▪ A crisis communication plan is in place to handle communication channels and interact proactively with stakeholders ▪ Customer feedback, posts and complaints are dealt with by the Centralised Customer Experience Team and monitored by the Excellence Team ▪ A periodic communication plan with the employees is in place to make them aware of the Company's social media policy and forms part of the organisational code of conduct		

Key Risks	Mitigation Measures	Capital(s) affected	Changes in Risk
Crisis & Natural disasters Though the COVID-19-related disruption is currently under control, on a global level several countries continue to grapple with new infection waves. The uncertainty around the host of variants has required companies to have strong Business Continuity & Resilience Planning. Subsequent waves of COVID or similar phenomena may disrupt the apparel industry and lead to movement restrictions, fewer operational days and a drop in discretionary spending. Further, any crisis & disasters not adequately handled by the business or strategic partners may also lead to adverse impact on the business operations, reputation loss and delay in operational recovery.	▪ Emergency communication and handling protocols are in place ▪ Implemented programs to make stores and workplaces a 'safe place to shop' and 'safe place to work' ▪ Deployed Business Continuity Planning and Disaster Recovery policies ▪ Strengthened relationships with all stakeholders and extended desired support ▪ Prevention and operations processes are in place for stores, Warehouses and HO for the prevention of exigencies ▪ Vendor Supply chain risk is partially diffused due to the vast vendor base		
Liquidity and Cash Conversion In the environment of higher economic volatility both due to national and global developments, the importance of healthy and adequate cash reserves and creditworthiness has gained centre stage. Working capital management amid such a dynamic and inflation-led environment may have adverse implications and higher cash outflows. Also, a pandemic-like situation may weaken consumer sentiments, reduce demand, lead to loss of operational days and may hamper cash generation significantly. Hence, the business needs to maintain free cash reserves and the ability to absorb such shockwaves.	▪ Your company maintains a high level of creditworthiness along with reaffirmed ratings by leading rating agencies and a positive outlook for the long term ▪ Robust cash conservation measures are in place to sustain the impact of temporary disruptions ▪ With 'Prudence' as a core value, the organisation has Effective cost reduction, control, and monitoring measures are in place ▪ Maintaining debt-free operations with optimum inventory and cash reserves		

CAUTIONARY STATEMENT

Statements in this Annual and Integrated Report, particularly those that relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward-looking statements, within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results may differ.

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.vmartretail.com, Email: info@vmart.co.in

NOTICE

Notice is hereby given that the Twentieth (20th) Annual General Meeting of the Members of the Company will be held on Tuesday, August 30, 2022 at 11:00 A.M. through Video Conferencing/ Other Audio-Visual Means to transact the following Business.

ORDINARY BUSINESS:

To consider and, if thought fit, to pass the following resolutions as **Ordinary Resolutions**:

Item No. 1: Adoption of financial statements

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, along with the reports of the Auditors and the Board of Directors thereon.

"**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2022, together with the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted."

Item No. 2: To declare the dividend for the financial year 2021-22

To consider, approve and declare dividend at the rate of ₹ 0.75 per Equity Share for the financial year 2021-22.

"**RESOLVED THAT** a dividend of ₹ 0.75 per Equity Share of ₹ 10/- each fully paid-up for the financial year 2021-22, as recommended by the Board, be and is hereby approved and declared."

Item No. 3: Appointment of Mr. Madan Gopal Agarwal (DIN: 02249947) as Director, liable to retire by rotation

To appoint a director in place of Mr. Madan Gopal Agarwal (DIN: 02249947) who retires by rotation and being eligible, offers himself for re-appointment.

"**RESOLVED THAT** Mr. Madan Gopal Agarwal (DIN: 02249947), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

Item No. 4: Approval for payment of Commission to Non-Executive Directors

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

"**RESOLVED THAT** in supersession of the resolution passed by the members on August 25, 2021 and pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Act, Regulation 17(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded to pay profit related commission to all Non-Executive Directors including Independent Directors, combined, at the rate of up to 1% of Net Profit of the Company from April 1, 2022 for a period of 3 years in case of profits.

RESOLVED FURTHER THAT the above remuneration shall be in addition to the fee payable to the director(s) for attending the meetings of the board/committees thereof or for any other purpose whatsoever, as may be decided by the board of directors and reimbursement of expenses for participation in the Board meeting.

RESOLVED FURTHER THAT this 1% Commission payable to Non-Executive Directors including Independent Directors shall be divided amongst them in such a manner as recommended by the Nomination & Remuneration Committee and by the Board, from time to time and pursuant to the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT any Director, Mr. Anand Agarwal, Chief Financial Officer & Ms. Megha Tandon, Company Secretary, be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the above resolution."

Item No. 5: Approval for the re-appointment of Mr. Lalit M Agarwal (DIN: 00900900) as Managing Director of the Company and revision in his remuneration

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

"RESOLVED THAT in pursuance of Sections 196, 197, 198 and 203 of the Companies Act, 2013 and the Rules made thereunder, read with Schedule V of the Companies Act, 2013 and the Articles of Association of the Company and other applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, rules if any, of the Companies Act, 2013, and applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and any other laws, regulations prevailing for the time being in force, and upon the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the members be and is hereby accorded to re-appoint Mr. Lalit M Agarwal (holding DIN: 00900900) as the Managing Director of the Company for a period of 5 (Five) years w.e.f. May 31, 2022 to May 30, 2027, at a remuneration and on such terms and conditions as set out below with liberty and authority to the Board of Directors (hereinafter referred to the "Board" and shall include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board and Mr. Lalit M Agarwal.

RESOLVED FURTHER THAT in accordance with provisions of Section 197 read with Schedule V and the applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, rules if any, of the Companies Act, 2013 and any other laws, regulations prevailing for the time being in force and other statutory approvals, as may be required, the Company do hereby approves the revision/ variation in the remuneration of Mr. Lalit M Agarwal with effect from April 1, 2022 till his tenure as the Managing Director of the Company, as recommended by the Nomination & Remuneration Committee and the Board is noted hereunder:

A. **Salary:**
Basic salary of ₹ 98.2 Lakhs per annum for FY 2022-23 (Further increase to ₹ 112.9 Lakh p.a. for FY 2023-24 till his remaining tenure, unless otherwise revised with the due approval of shareholders).

B. **Commission:**
Up to 1% (One percent) commission on the net profits (computed as per section 198 of the Companies Act, 2013) of the Company in each financial year, subject to the overall limit as stipulated in Section 197 of the Companies Act, 2013. The overall amount of the commission shall be subject to the maximum limit of ₹ 300 Lakhs per annum.

C. **Perquisites:**
In addition to salary and commission, the Managing Director shall be entitled to the below perquisites and allowances:

Residential facility/house (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges, and utilities (e.g. gas, electricity and water charges) for the said accommodation, He shall also be eligible for expenses incurred on the education of his children (up to 2 children), whether, in India or abroad, club membership, expenses incurred on Leave travel (including foreign travel) for self and family, twice in a year.

The overall value of the perquisites shall be subject to the maximum of ₹ 103.5 Lakhs per annum for FY 2022-23 (further increase to ₹ 119.0 Lakhs p.a. for. FY 2023-24 till his remaining tenure, unless otherwise revised with the due approval of shareholders).

D. **Additional Benefits:**
Medical benefits and health insurance in accordance with the Company's medical scheme for self and family (this includes medical insurance premium) All employee benefit programs, Leave encashment, Gratuity etc. which are generally applicable as per benefit plans, programs, policies and/or practices of the Company Reimbursement for travel, conveyance, mobile or other expenses incurred in furtherance of or in connection with the performance of duties, in accordance with the Company's reimbursement policy.

E. **Other terms and conditions:**
In the event of absence or inadequacy of profits in any financial year, the Managing Director shall be entitled to the remuneration as mentioned herein above except for any commission.

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

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

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

RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer and Company Secretary of the Company, be and are hereby severally/jointly authorized to do all such acts, deeds, matters, & things as may be necessary in this regard".

Item No. 6: Approval for re-appointment of Mr. Madan Gopal Agarwal (DIN: 02249947) as Whole-time Director of the Company and revision in his remuneration.

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

"RESOLVED THAT in pursuance of Sections 196, 197, 198 and 203 of the Companies Act, 2013 and the rules made thereunder, read with Schedule V of the Companies Act, 2013 and the Articles of Association of the Company and other applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, rules if any, of the Companies Act, 2013, and applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and any other laws, regulations prevailing for the time being in force, and upon the recommendation of the Nomination & Remuneration Committee and Board of Directors of the Company, the consent of the members be and is hereby accorded to re-appoint Mr. Madan Gopal Agarwal (holding DIN: 02249947) as a Whole-time Director of the Company for a period of 5 (Five) years from May 31, 2022 to May 30, 2027, at a remuneration and on such terms and conditions as set out below with liberty and authority to the Board to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board and Mr. Madan Gopal Agarwal.

RESOLVED FURTHER THAT in accordance with provisions of Section 197 read with Schedule V and the applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, rules if any, of the Companies Act, 2013 and any other laws, regulations prevailing for the time being in force and other statutory approvals, as may be required, the Company do hereby approves the revision/ variation in the remuneration of Mr. Madan Gopal Agarwal with effect from April 1, 2022 till his tenure as Whole-time Director of the Company, as recommended by the Nomination & Remuneration Committee and the Board is noted hereunder:

A. **Salary:**
Basic salary of ₹ 36.0 lakh per annum for FY 2022-23 (further increase to ₹ 41.4 Lakh p.a. w.e.f 2023-24 till his remaining tenure, unless otherwise revised with the due approval of shareholders)

B. **Commission:**
Up to 0.33% commission on the net profits (computed as per section 198 of the Companies Act, 2013) of the Company in each financial year, subject to the overall limit as stipulated in Section 197 of the Companies Act, 2013. The overall amount of the commission shall be subject to the maximum limit of ₹ 100 Lakhs per annum.

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

D. **Additional Benefits:**
Medical benefits and health insurance in accordance with the Company's medical scheme for self and family (this includes medical insurance premium) All employee benefit programs, Leave encashment, Gratuity, etc., which are generally applicable as per benefit plans, programs, policies and/or practices of the Company Reimbursed for travel, conveyance, mobile or other expenses incurred in furtherance of or in connection with the performance of duties, in accordance with the Company's reimbursement policy.

E. **Other terms and conditions:**
In the event of absence or inadequacy of profits in any financial year, the Whole-time Director shall be entitled to the remuneration as mentioned herein above without any variation except for any commission.

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

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

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

RESOLVED FURTHER THAT the Board of Directors, Chief Finacial Officer and Company Secretary of the Company, be and are hereby severally/jointly authorized to do all such acts, deeds, matters, & things as may be necessary in this regard".

Item No. 7: Approval for amendment in the V-Mart Retail Ltd. Employee Stock Option Plan 2020 ("ESOP Scheme, 2020") of the Company.

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

"**RESOLVED THAT** pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013, if any, read with Rules made thereunder and pursuant to the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("the Regulation") (including any Statutory amendment, modification or re-enactment to the Act or the Guidelines, for the time being in force), the Articles of Association of the Company, approval of Members at their general meeting and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India, the listing agreement entered into with the stock exchanges where the securities of the company are listed and/or such other approvals, consents, permissions and sanctions as may be necessary and subject to such other approvals, permissions, sanctions, conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee including the Nomination & Remuneration Committee which the Board may, at its discretion authorize to exercise certain or all of its powers, including the powers, conferred by this resolution), the consent of the Members be and is hereby accorded for the amendment to the V-Mart Retail Ltd. Employee Stock Option Plan 2020 ("ESOP Scheme, 2020") (Referred as "the Scheme"), as detailed in the Explanatory Statement annexed to this Notice including increase in the total number of Stock Options from "2,00,000" (Two Lakh) Options to "5,00,000" (Five Lakh) Options.

RESOLVED FURTHER THAT the other terms and conditions of V-Mart Retail Ltd. Employee Stock Option Plan 2020 of the Company as approved and time to time amended by the Board and Members of the Company shall remain the same.

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

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI (SBEB & SE) Regulations, 2021 and any other applicable laws to the extent relevant and applicable to the ESOP scheme of the Company.

RESOLVED FURTHER THAT the Board and/or the Nomination & Remuneration Committee of the Board be and are hereby authorized to do all such acts, deeds and things, as deemed necessary including but not limited to take necessary steps for the in-principle and final listing of the Equity Shares to be allotted upon exercise of the Stock Options, on the Stock Exchanges where the Company's Shares are proposed to be listed as per the terms and conditions of the SEBI (LODR) Regulations, 2015 with the concerned Stock Exchange and the applicable Guidelines, Rules and Regulations."

By Order of the Board
For V-Mart Retail Ltd.

Megha Tandon
Company Secretary
M. No.: F10732

Place: Gurugram
Date: May 25, 2022

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 02/2022 dated May 5, 2022 General Circular No. 02/2021 dated, January 13, 2021, General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, permitted to conduct the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), without the physical presence of Members at a common venue. Considering the pandemic situation and in accordance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the 20th AGM of the Company is being held through VC / OAVM. The deemed venue for the 20th AGM shall be the Registered Office of the Company for a term up to the conclusion of 20th Annual General Meeting of the Company in the calendar year 2022.

2. The Company has appointed M/s. KFin Technologies Limited, Registrars and Transfer Agent ('RTA') of the Company, to provide VC/OVAM facility for the AGM of the Company.

3. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") which sets out details relating to Special Businesses at the meeting, 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-2 of the person seeking Re-appointment as Director under are also annexed.

4. 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, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment.

5. Since this AGM is being held pursuant to MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by Members will not be available for this AGM. Hence, Proxy Form, Route Map and Attendance Slip are not annexed to this Notice.

6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. Institutional/Corporate members are encouraged to attend and vote at the meeting through VC/OAVM. We also request them to send, a duly certified copy of the Board Resolution authorising their representative to attend the AGM through VC/OAVM and vote through remote e-voting on its behalf at cs@vmart.co.in with a copy marked to evoting@kfintech.com pursuant to Section 113 of the Companies Act, 2013.

8. Each member present at the meeting shall be entitled to one vote for every equity share held.

9. Only bona fide members of the Company, whose name appears first on the Register of Members, will be permitted to attend the meeting through VC/OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.

10. In case of joint holders attending the AGM, only such joint holders who are higher in the order of names will be entitled to vote.

11. The company has notified closure of Register of members and share transfer Books from Saturday, August 20, 2022 to Tuesday, August 30, 2022 (both days inclusive) in connection with Annual General Meeting and voting (through remote e-voting and during the AGM) on the resolutions set forth in the Notice.

12. Dividend:

    (i) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders with effective from April 1, 2020, hence the Final Dividend, as recommended by the Board of Directors of the Company and if approved at the AGM, shall be paid after deducting tax at source ('TDS') in accordance with the provisions of the Income Tax Act, 1961 at the prescribed rates, within 30 days from the date of declaration;

    a. to all the shareholders in respect of equity shares held in physical form whose names appear as Members in the Company's Register of Members, after giving effect to valid share transmission or transposition request lodged with the Company, on or before close of business hours on August 19, 2022; and

    b. to all Beneficial Owners in respect of equity shares held in dematerialized form whose names appear in the statement of beneficial ownership furnished by Depository Participant(s), National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'), before close of business hours on August 19, 2022.

(ii) For the prescribed TDS rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/RTA (KFintech Technoclogies Limited) (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the same at the link given here in i.e. https://ris.kfintech.com/form15/ by 11:59 p.m. IST on August 19, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

(iii) Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the same at the link given here in i.e. https://ris.kfintech.com/form15/. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on August 19, 2022.

13. Members are requested to update and/or intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Company's Registrars and Transfer Agents, KFintech, in case the shares are held by them in physical form. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.

14. SEBI has directed listed Companies to use electronic payment modes such as NEFT, RTGS, ECS etc., for payments to the investors. Members are requested to update their bank details such as MICR, IFSC code etc., with the Registrar and Transfer Agent i.e. KFintech Technologies Limited by submitting a canceled cheque, while Members holding shares in electronic form are requested to update such bank details with their respective Depository Participant.

15. 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:

    M/s. KFin Technologies Limited
    Selenium Tower B, Plot Nos. 31 & 32,
    Financial District, Nanakramguda,
    Serilingampally Mandal,
    Hyderabad, Telangana - 500 032
    Phone No.: 040 67162222
    Toll Free: 180 0345 4001
    Email: einward.ris@kfintech.com
    Website: www.kfintech.com

16. Instructions and other information relating to remote e-voting, participation in the AGM through VC/OAVM and e-voting during the AGM are given in this Notice. The Company will also send a communication which inter-alia would contain details about User ID and Password along with a copy of this Notice to the members, separately.

17. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act and the certificate from Secretarial Auditors of the Company certifying that V-Mart Retail Limited Employee Stock Option Scheme 2012 & Employee Stock Option Scheme 2020 in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available for inspection by Members in electronic mode during the AGM. Members who wish to seek inspection, may send their request through an email at cs@vmart.co.in up to the date of AGM.

18. Members holding shares in Electronic (Demat) form are advised to inform the particulars of their bank account, change of postal address and email IDs to their respective Depository Participants only. The Company or its RTA i.e. KFin Technologies Limited, cannot act on any request received directly from the members holding shares in demat mode for changes in any bank mandates or other particulars. Members holding shares in physical form are advised to inform the particulars of their bank account, change of postal address and email IDs to our RTA i.e. KFin Technologies Limited or the Secretarial Department of the Company.

19. Members holding shares in Electronic (demat) form or in physical mode are requested to quote their DPID & Client ID or Folio details respectively in all correspondences, including dividend matters to the RTA i.e. KFin Technologies Limited or the Secretarial Department of the Company.

20. Members who have not registered their email ID with the depository participants, are requested to register their email ID with their depository participants in respect of shares held in electronic form and in respect of shares held in physical form, are requested to submit their request with their valid email ID to our RTA at einward.ris@kfintech.com or cs@vmart.co.in for receiving all communications including the annual report, notices, letters etc., in electronic mode from the Company.

21. Pursuant to Section 101 and Section 136 of the Act, read with relevant Companies (Management and Administration) Rules, 2014, and Regulation 36 of SEBI (Listing Obligation Disclosures Requirement) Regulations, 2015 ("SEBI Listing Regulations"), companies can serve Annual Report and other communications through electronic mode to those Members who have registered their email ID either with the Company or with the Depository Participants.

22. In compliance with the provisions of MCA vide its General Circular No. 02/2022 dated May 5, 2022, General Circular No. 02/2021 dated January 13, 2021, Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020 and SEBI circular dated May 13, 2022, January 15, 2021 & May 12, 2020, Notice of the AGM along with the Annual Report 2021-22, are being sent only through electronic mode to those Members whose email IDs are available with the Company/Depositories/RTA.

23. Members may note that the Notice of the AGM and Annual Report 2021-22 will also be available on the Company's website www.vmartretail.com and the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Limited at URL: https://evoting.kfintech.com/.

24. Since the AGM will be held through VC/OAVM, the Route Map is not required to be annexed to the Notice.

25. Pursuant to the Notification issued by the Ministry of Corporate Affairs on May 7, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of the appointment of Auditors by the Members at every AGM has been omitted. Accordingly, no resolution is being proposed for ratification of the appointment of statutory auditors at this AGM.

26. AGM Live Webcast Facility: Pursuant to Regulation 44 of SEBI Listing Regulations and para 3 Clause A (III) of Circular No. 14/2020 dated April 8, 2020 issued by MCA, Government of India, the Company has made arrangements for a two-way live webcast for the proceedings of the AGM. The details of the webcast link shall be made available on the website of the Company at www.vmartretail.com.

27. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility of remote e-voting to all the members as per applicable Regulations relating to e-voting. The complete instructions on the e-voting facility provided by the Company are annexed to this Notice, explaining the process of e-voting with the necessary user id and password. Members who have cast their vote by remote e-voting prior to the meeting may attend the meeting but will not be entitled to cast their vote again.

28. The Company has fixed Friday, August 19, 2022 as the cut-off date for determining the eligibility of Members entitled to vote at the AGM & receive the Dividend. The remote e-voting shall remain open for a period of 5 days commencing from 9.00 a.m. (IST) on Thursday, August 25, 2022 up to 5.00 p.m. (IST) on Monday, August 29, 2022 (both days inclusive).

29. Members who are present in the meeting through video conferencing facility and have not cast their vote on resolutions through remote e-voting, shall be allowed to vote through the e-voting system during the meeting.

30. The Company has appointed Mr. Harsh Oberoi, Practicing Company Secretary (C.P. No. 17834), as Scrutinizer to scrutinise the e-voting process in a fair and transparent manner.

31. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company/ Electronic mode during normal business hours (8:15 hours to 17:15 hours) on all working days except Saturdays and Sundays, up to and including the date of the AGM of the Company. Members who wish to seek inspection, may send their request through an email at cs@vmart.co.in up to the date of AGM.

32. Information required under Regulation 36 of SEBI Listing Regulations, Directors seeking Appointment/ Re-appointment at the AGM is furnished as annexure to this Notice. The Directors have furnished consent/ declarations for their appointment/re-appointment as required under the Act and rules made thereunder.

33. In line with the measures of "Green Initiatives", the Act provides for sending Notice of the AGM and all other correspondences through electronic mode. Hence, Members who have not registered their mail IDs so far with their depository participants are requested to register their email ID for receiving all the communications including Annual Report, Notices, etc., in electronic mode. The Company is concerned about the environment and utilises natural resources in a sustainable way.

34. Members are requested to note that as per Section 124(5) of the Act, the dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account, is liable to be transferred by the Company to the "Investor Education Protection Fund" (IEPF) established by the Central Government under Section 125 of the Act. Therefore, the amount of unclaimed dividend for the financial year ended March 31, 2015 is due for transfer to IEPF in November 2022. Pursuant to IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on, August 25, 2021 (date of last AGM) on the website of the Company at www.vmartretail.com and also on the website of the Ministry of Corporate Affairs. Members may approach the IEPF Authority to claim the unclaimed dividend transferred by the Company to IEPF. Members may approach the Company Secretary and Compliance Officer of the Company for claiming the unclaimed dividend which is yet to be transferred to IEPF by the Company.

35. Members are requested to note that as per Section 124(6) of the Act, read with IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to Demat Account of IEPF Authority. Consequently, the Company will transfer the eligible equity shares to the Demat Account of the IEPF Authority. Members are entitled to claim the same from IEPF by submitting an application in the prescribed online web-based Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed, to the Nodal Officer of the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

36. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in demat form with effect from April 1, 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or our RTA for assistance in this regard.

37. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DoP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off-market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/ Registrar and Share Transfer Agent for registration of such transfer of shares.

38. Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to our RTA, for consolidation into a single folio.

39. Non-Resident Indian Members are requested to inform our RTA / respective depository participants, immediately of any:

    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.

INSTRUCTIONS FOR REMOTE E-VOTING

1. Use the following URL for e-voting from KFintech website: https://evoting.kfintech.com.

2. Members of the Company holding shares either in physical form or in dematerialized form, as on Friday, August 19, 2022 the cut-off date, may cast their vote electronically.

3. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No. DP ID Client ID will be your User ID. However, if you are already registered with KFintech for e-voting, use your existing User ID and password for casting your votes.

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. 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 of the Company.

8. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

9. Members holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.

10. 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.

11. The Portal will be open for voting from 9.00 a.m. on Thursday, August 25, 2022 upto 5.00 p.m. on Monday, August 29, 2022.

12. Members of the Company who have purchased their shares after the dispatch of the Notice but before the cutoff date (Friday, August 19, 2022) may contact KFintech at Tel No. 1800 309 4001 (toll-free) to obtain login id and password or send a request to einward.ris@kfintech.com.

13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of https://evoting.kfintech.com or contact KFintech at Tel No. 1800 309 4001 (toll free).

14. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

PROCEDURE TO LOGIN THROUGH WEBSITES OF DEPOSITORIES

NSDL	CDSL
Users already registered for IDeAS facility of NSDL	**Users already registered for Easi / Easiest facility of CDSL**
i. Click on URL: https://eservices.nsdl.com. ii. Click on the "Beneficial Owner" icon under 'IDeAS' section. iii. Enter your User ID and Password for accessing IDeAS, iv. On successful authentication, you will enter your IDeAS service login v. Click on "Access to e-Voting". vi. Click on Company name or e-voting service provider and you will be re-directed to Kfintech website for casting the vote during the remote e-voting period.	i. Click on URL: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi ii. Enter your User ID and Password for accessing Easi / Easiest. iii. Click on Company name or e-voting service provider for casting the vote during the remote e-voting period.
2. Users not registered for IDeAS facility of NSDL	**2. Users not registered for Easi / Easiest facility of CDSL**
i. To register, click on URL: https://eservices.nsdl.com. ii. Select "Register Online for IDeAS" iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc. iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.	i. To register, click on URL https://web.cdslindia.com/myeasi/Registration/EasiRegistration. ii. Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc. iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.
3. Users may directly access the e-voting module of NSDL as per the following procedure:	**3. Users may directly access the e-voting module of CDSL as per the following procedure:**
i. Click on URL: https://www.evoting.nsdl.com/ ii. Click on the button "Login" available under "Shareholder / Member" section. iii. Enter your User ID (i.e. 16-digit demat account number held with NSDL), login type, Password / OTP and Verification code as shown on the screen iv. On successful authentication, you will enter the e-voting module of NSDL v. Click on Company name or e-voting service provider and you will be re-directed to Kfintech website for casting the vote during the remote e-voting period.	i. Click on URL: www.cdslindia.com. ii. Provide demat account number and PAN iii. System will authenticate the user by sending OTP on registered mobile & email as recorded in the demat account. iv. On successful authentication, you will enter the e-voting module of CDSL. v. Click on Company name or e-voting service provider and you will be re-directed to Kfintech website for casting the vote during the remote e-voting period.

NSDL	CDSL
Individual Members (holding securities in demat mode) login through their depository participants.	
Individual shareholders holding shares of the Company in Demat mode can access e-Voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL/CDSL. An option for "e-Voting" will be available once they have successfully logged-in through their respective logins. Click on the option "e-Voting" and they will be redirected to e-Voting modules of NSDL/CDSL (as may be applicable). Click on the e-Voting link available against the name of Company or select e-Voting service provider "KFintech" and you will be redirected to the e-Voting page of KFintech to cast your vote without any further authentication.	
Members who are unable to retrieve User ID / Password are advised to use "Forgot User ID" / "Forgot Password" options available on the websites of Depositories / Depository Participants.	
Contact details in case of technical issue on NSDL website	**Contact details in case of technical issue on CSDL website**
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43.

Login method for non-individual Members and Members holding shares in physical form are given below :

Procedure and Instructions for remote e-voting are as under:

a. The initial password is provided in the body of the email.

b. Launch the internet browser and type the URL: https://evoting.kfintech.com in the address bar.

c. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with RTA for e-voting, you can use your existing User ID and password for casting your votes.

User ID: For Members holding shares in Demat Form:
For NSDL: 8 character DP ID followed by 8 digits Client ID.
For CDSL: 16 digits beneficiary ID.

User ID: For members holding shares in Physical Form:
Event Number followed by Folio No. registered with the Company.

Password: Your unique password is sent via email forwarded through the electronic notice.

Captcha: Please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.

d. After entering the details appropriately, click on LOGIN.

e. You will reach the password change menu wherein you will be 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.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

f. You need to login again with the new credentials.

g. On successful login, the system will prompt you to select the EVENT i.e. V-Mart Retail Limited.

h. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

i. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

j. Cast your votes 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 subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

k. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (pdf/jpg format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at harsh@oberoiassociates.com and may also upload the same in the e-voting module in their login.

INSTRUCTIONS FOR PARTICIPATING THROUGH VC/OAVM

1. Members will be able to attend the Twentieth AGM of the Company through VC/OAVM through KFintech e-voting system at https://evoting.kfintech.com under the shareholders login by using the remote e-voting credentials and selecting the EVENT for the Company's Twentieth AGM. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice of AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging in to the e-voting system.

2. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective networks. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches and Members are encouraged to join the Meeting through Laptops with Google Chrome for a better experience.

3. Members are advised to use stable Wi-Fi or LAN connection to ensure smooth participation at the AGM. Participants may experience audio / video loss due to fluctuation in their respective networks.

4. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

5. Shareholders queries: Members who wish to seek any clarification on Annual Report from the Company may visit https://emeetings.kfintech.com and click on the tab "Post Your Queries Here" to write their queries in the window provided, by mentioning your name, demat account number/ folio number, email ID and mobile number. Please note that, members' questions will be answered during the meeting or subsequently via email, only if, the shareholder continues to hold the shares as on the cut-off date i.e. Friday, August 19, 2022. The window shall remain active during the remote e-voting period.

6. Speaker Registration: Members who wish to speak at the AGM may register themselves as a speaker by visiting https://emeetings.kfintech.com and click on 'Speaker Registration' during the remote e-voting period starting from 9.00 a.m. on Thursday, August 25, 2022 upto 5.00 p.m. on Monday, August 29, 2022. Members shall be provided a 'queue number' before the AGM. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves and depending on the availability of time at the AGM.

7. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through the e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform. Members may click on the voting icon ('vote now') on the left side of the screen to cast their votes.

8. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be closed on expiry of 15 minutes from the scheduled time of the AGM.

9. Facility of joining the AGM through VC / OAVM shall be available for 1,000 Members on a first come first served basis. However, the participation of Members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.

10. Those Members who register themselves as speaker will only be allowed to express views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time and to ensure the smooth conduct of the AGM.

11. Members who have casted their votes by remote e-voting may also attend the AGM through VC / OAVM but shall not be entitled to cast their votes again.

12. Members who need assistance or help during the AGM, can contact KFintech, Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032, Telangana, Phone : +91 40 6716 2222.

The scrutinizer shall immediately after the conclusion of voting at the AGM, count the votes and shall submit a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, within a period of not exceeding two working days as the case may be from the conclusion of the voting to the Chairperson of the Company or a person authorised by him in writing who shall countersign the same.

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.vmartretail.com and on the website of Kfin Technologies Limited https://evoting.kfintech.com 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 email addresses of all its members.

Members holding shares in physical form are requested to provide/update their email addresses to KFin Technologies Pvt. Ltd. (Registrar and Share Transfer Agent).

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

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

ITEM NO. 4

With the enhanced Corporate Governance requirements under the Act and the SEBI Listing Regulations coupled with the size, and complexity of the company's operations the responsibilities of Independent Directors have become more onerous, requiring greater time commitments, attention and a higher level of oversight. Considering the industry norms and having regard to valuable contribution in the growth of the Company, by Non-Executive Directors including Independent Director, it is proposed to pay commission up to 1% of the Net Profits of the Company, combined, to all the Non-Executive Directors including Independent Directors of the Company, w.e.f. April 1, 2021 for a period of 3 years pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Act, Regulation 17(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above commission shall be in addition to fees payable to the Director(s) for attending meetings of the Board/Committees or for any other purpose whatsoever as may be decided by the Board.

The approval of Members is sought for payment of the commission, if any, to the Non-Executive Directors. The Board, therefore, recommends the Ordinary Resolution set out in item no. 4 of the accompanying Notice for the approval of Members.

All Non-Executive Directors, including Independent Directors of the Company, are deemed to be concerned or interested in this resolution. None of the other directors, key managerial personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the passing of the resolution at Item No. 4 of the accompanying notice.

ITEM NO. 5 AND 6

The Members in their 15th Annual General Meeting dated September 18, 2017 had vide Special Resolution approved the re-appointment of Mr. Lalit M Agarwal as Chairman & Managing Director and Mr. Madan Gopal Agarwal as Whole-time Director of the Company for a period of 5 years w.e.f. May 31, 2017 and the members in their 17th Annual General Meeting dated August 2, 2019 had approved the revision/variation in the remuneration of Mr. Lalit M Agarwal and Mr. Madan Gopal Agarwal.

In order to strengthen the Corporate Governance framework of the Company, the Board on the recommendation of the Nomination & Remuneration Committee separated the role of Chairman & Managing Director at its meeting held on November 8, 2021. As a result, Mr. Lalit M Agarwal has ceased to be the Chairperson of the Company and Mr. Aakash Moondhra had been elected as the new Chairperson of the Company w.e.f November 8, 2021.

Mr. Lalit M Agarwal and Mr. Madan Gopal Agarwal are the promoters of the Company and have been serving as Directors of the Company since 2012. Under the leadership and guidance of Mr. Lalit M Agarwal and Mr. Madan Gopal Agarwal, the turnover and the number of new stores of the Company have grown extensively over the past years. The Company has also witnessed significant improvement in its product offerings in recent years which has played a major role in the growth of the Company. The Company has expanded its presence in major retail market segments including the South India Markets and has been acknowledged to be one of the leading value fashion retailers in India with a national presence.

In view of the above, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors at their meeting held on May 19, 2022 and May 25, 2022 respectively approved the re-appointment, including the revised remuneration of Mr. Lalit M Agarwal as the Managing Director and Mr. Madan Gopal Agarwal as the Whole-time Director of the Company for another term of 5 years with effect from May 31, 2022 pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Act read with Schedule V of the Act and the Rules made thereunder on the terms and conditions as indicated in the resolution. The re-appointment of Mr. Lalit M Agarwal as the Managing Director and Mr. Madan Gopal Agarwal as the Whole-time Director of the Company and their revised remuneration are subject to the approval of shareholders of the Company and such other approvals if any.

In compliance with the provisions of Section 196, 197 and other applicable provisions, if any read with Schedule V to the Act and the Articles of Association of the Company and subject to such other approvals, as may be required, the re-appointment and terms of remuneration of Mr. Lalit M Agarwal as the Managing Director and Mr. Madan Gopal Agarwal as Whole-time Director are now being placed before the Members for their approval.

The Special Resolutions at Item No. 5 and 6 are recommended by the Board of Directors for approval by the Members.

Mr. Lalit M Agarwal (Managing Director) and Mr. Madan Gopal Agarwal (Whole-time Director) are concerned or interested in the Resolution mentioned in Item No. 5 & 6 of the Notice relating to re-appointment. Other than those mentioned above, none of the other Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned in Item No. 5 and 6 of the Notice. A brief resume of Mr. Lalit M Agarwal and Mr. Madan Gopal Agarwal is given in the Annexure to the Notice.

Disclosure as per Section II to Part II of Schedule V of the Companies Act, 2013 is as follows:

I. GENERAL INFORMATION:

1. Nature of Industry

The Company is engaged in the business of Retail Sales

2. Date or expected date of commencement of commercial production:

Not Applicable

3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable as the Company is an existing Company.

4. Financial Performance based on given indicators:

(₹ In Lakhs)

Particulars	F.Y. 2021-22
Total Income	1,68,013.44
Expenditure other than Interest and Depreciation	1,46,184.87
Profit before Interest, Depreciation and Tax	21,828.57
Interest (Net)	7,719.24
Profit before Depreciation and Tax	14,109.33
Depreciation	13,069.66
Profit before Tax and Exceptional Items	1,039.67
Current Tax	1,148.24
Deferred Tax	(1,272.64)
Net Profit	1,164.07

5. Foreign investments and collaboration, if any:

The Company has neither made any Foreign Investments nor entered into any collaborations during the last Financial Year.

II. INFORMATION ABOUT THE APPOINTEES:

1. Background Details:

(a) Mr. Lalit M Agarwal: Mr. Lalit is the Managing Director on the Board of the Company and is a founder of the Company. He is responsible for the development of the leadership team, enhancement of shareholders' value and ensuring corporate governance in our Company. Additionally, he is responsible for the expansion of our Company to newer regions. He holds a diploma in financial management from the Narsee Monjee Institute of Management Studies.

(b) Mr. Madan Gopal Agarwal: Mr. Madan is a Whole-Time Director on the Board of the Company and has been a Director of the Company since its incorporation. He handles strategic initiatives in merchandising for our Company, particularly in the footwear and strategy divisions. He has more than six decades of entrepreneurial and professional experience in the fashion & retail industry. He is a mentor and a guiding force for the Company.

2. Past remuneration:

(a) Mr. Lalit M Agarwal: During the Financial Year ended March 31, 2021, ₹ 154.04 Lakhs and during the Financial Year ended March 31, 2020, ₹ 249.65 Lakhs was paid as remuneration (including commission) to Mr. Lalit M Agarwal.

(b) Mr. Madan Gopal Agarwal: During the Financial Year ended March 31, 2021, ₹ 28.57 Lakhs and during the Financial Year ended March 31, 2020, ₹ 55.81 Lakhs was paid as remuneration (including commission)to Mr. Madan Gopal Agarwal.

3. Recognition and Awards:

(a) Mr. Lalit M Agarwal: Mr. Lalit M Agarwal holds the position of the Chairman of Retailers Association of India (RAI) as well as Chairman of Confederation of Indian Industry (CII) - Retail & FMCG for the Northern Region.

(b) Mr. Madan Gopal Agarwal: N.A

4. Job profile Suitability:

(a) Mr. Lalit M Agarwal: Considering the excellent background of Mr. Lalit and the experience of over 28 years in the retail industry, he is well suited to continue in the position of Managing Director of the Company.

(b) Mr. Madan Gopal Agarwal: He is the Whole Time Director of the Company having an experience of more than six decades of entrepreneurial and professional experience in the fashion & retail industry.

5. Remuneration proposed:

Mr. Lalit M Agarwal:

A. Salary:

₹ 98.2 Lakhs per annum (an increase of 15% p.a. over the last year salary) for FY 2022-23, with a further increase by 15% p.a. to ₹ 112.9 Lakh p.a. for FY 2023-24, to continue till his remaining tenure, unless otherwise revised with the due approval of shareholders.

B. Commission:

Up to 1% (One percent) commission on the net profits (computed as per section 198 of the Companies Act, 2013) of the Company in each financial year, subject to the overall limit as stipulated in Section 197 of the Companies Act, 2013. The overall amount of the commission shall be subject to a maximum limit of ₹ 300 Lakhs per annum.

C. Perquisites:

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

Residential facility/house (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges, and utilities (e.g. gas, electricity and water charges) for the said accommodation, He shall also be eligible for expenses incurred on the education of his children (up to 2 children), whether, in India or abroad, club membership, expenses incurred on Leave travel (including foreign travel) for self and family, twice in a year.

The overall value of the perquisites is increased by 15% p.a. and shall be subject to the maximum limit of ₹ 103.5 Lakhs per annum for FY 2022-23 with a further increase by 15% p.a. to ₹ 119.0 Lakhs p.a. for. FY 2023-24, to continue till his remaining tenure, unless otherwise revised with the due approval of shareholders.

Other perquisites, allowances, other benefits etc. as fully set out herein above in the resolution.

Mr. Madan Gopal Agarwal:

A. Salary:

₹ 36.0 lakh per annum for FY 2022-23 (an increase of 15% p.a. over the last paid salary) with a further increase of 15% p.a. to ₹ 41.4 Lakh per annum w.e.f 2023-24 till his remaining tenure, unless otherwise revised with the due approval of shareholders.

B. Commission:

Up to 0.33% percent commission on the net profits (computed as per section 198 of the Companies Act, 2013) of the Company in each financial year, subject to the overall limit as stipulated in Section 197 of the Companies Act, 2013. The overall amount of the commission shall be subject to the maximum limit of ₹ 100 Lakhs per annum.

Other perquisites, allowances, other benefits etc. as fully set out herein above in the resolution.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Considering the responsibility shouldered by them, the remuneration paid to Mr. Lalit M Agarwal and Mr. Madan Gopal Agarwal is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:

Mr. Lalit M Agarwal and Mr. Madan Gopal Agarwal are the promoters of the Company. Mr. Lalit is son of Mr. Madan Gopal Agarwal.

III. OTHER INFORMATION:

1.	Reasons of loss or inadequate profits:	At present, the Company is having profits. However, the appointment is for a term of five years commencing May 2022 and the future profitability would largely depend on the macroeconomic and geopolitical factors, unforeseen events & disruptions, legal regulations and the operating business environment. Therefore, the limits specified under Section 197(1) read with Schedule V of the Companies Act 2013 and the Listing Regulations, may be exceeded during the term of appointment. The information pertaining to said clauses shall be disclosed at relevant places in the financial year in which the loss or inadequacy of profits, if incurred.
2.	Steps taken or proposed to be taken for improvement:	
3.	Expected increase in productivity and profits in measurable terms:	

ITEM NO. 7

The Company had introduced the V-Mart Retail Ltd. Employee Stock Option Plan 2020 ("ESOP Scheme, 2020"), with effect from September, 2020. The objective of the Scheme was to unify the interests of the company personnel and shareholders in such a manner that the employee would be motivated to take decisions in the interest of the shareholders and to provide the employees with productivity and performance related incentives, thus raising the level of their commitment & loyalty.

The ESOP Scheme 2020 is aimed at mutual value creation for all stakeholders, including the shareholders of the company, by promoting ownership & performance-driven culture among the employees of the company for the achievement of the 4 year-Long Range Plan.

Your Company recognizes the need to attract and retain key talents by rewarding their performance and motivates them to contribute to the overall growth and profitability of the company by aligning their interest with that of the company. With the recent acquisition and expansion of the stores and employees in the southern region along with planned expansion in future, the Company recognises the need to expand its current ESOP Pool from existing 2,00,000 (Two lakh) Options to 5,00,000 (Five lakh) Options i.e. which may dilute the interest of shareholders by less than 2.6%. The Board of Directors of the Company are of the view that the amendments to the Scheme are not prejudicial to the interests of the option holders and shareholders.

Keeping the proposed benefit value to the employees as a factor for the achievement of the 4-year long range plan of the company, the Nomination & Remuneration Committee may provide a maximum discount up to 50% (fifty percent) on the closing price of the day prior to the date of Grant on the recognized stock exchange to strive the optimum balance between:

1. Conservation of equity dilution for shareholders;
2. Achievement of long-term organizational performance goals and retention of key employees;
3. Optimize the cost of the scheme for the Company;

In order to explicitly articulate the benefits of the performance link ESOP scheme, augment the role of the members of the company and for reducing the possibilities of subjectivities, it is proposed to amend the scheme as per the details given below

	Clause No.	Existing scheme (highlighted portion to be deleted)	Proposed scheme (highlighted portion to be inserted)
1	13.1 Grant Limits	The Committee may from time to time make Grants to one or more Employees, determined by it to be eligible for participation in the Plan in accordance with the provisions of Section 21 of the Plan. Shares shall be deemed to have been issued under the Plan only to the extent actually issued and delivered pursuant to a Grant. The aggregate number of shares which may be issued under the Plan shall be adjusted in the same manner as equity shares in case of any corporate action(s). The MANAGING DIRECTOR may recommend to the board and the Nomination & Remuneration Committee to grant option rights to any employee, other than himself, who satisfies the conditions of the granting of the option right. The Grant shall be at such price as may be determined by the Nomination & Remuneration Committee and shall be specified in the Grant Approval of shareholders by way of separate resolution in the general meeting shall be obtained by the Company in case of; (a) Grant of Option to employees of a subsidiary; and (b) Grant of Option to identified employees, 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 of option.	The Committee may from time to time make Grants to one or more Employees, determined by it to be eligible for participation in the Plan in accordance with the provisions of Section 21 of the Plan. Shares shall be deemed to have been issued under the Plan only to the extent actually issued and delivered pursuant to a Grant. The aggregate number of shares which may be issued under the Plan shall be adjusted in the same manner as equity shares in case of any corporate action(s). The MANAGING DIRECTOR may recommend to the board and the Nomination & Remuneration Committee to grant option rights to any employee, other than himself, who satisfies the conditions of the granting of the options right. The exercise price per option in performance -based ESOP scheme 2020 shall be based on the closing price of the day prior to the date of Grant on the recognized stock exchange and shall be decided by the Nomination & Remuneration Committee, subject to compliance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulation, 2021. The Nomination and Remuneration Committee may provide a maximum discount of up to 50% (fifty percent) on the above price. Approval of shareholders by way of separate resolution in the general meeting shall be obtained by the Company in case of; (a) Grant of Option to employees of a subsidiary; and

	Clause No.	Existing scheme (highlighted portion to be deleted)	Proposed scheme (highlighted portion to be inserted)
		The Grant shall be in writing and shall specify the number of options granted, the price payable for exercising the options, the date/s on which some or all of the Options shall be eligible for vesting, fulfillment of the performance and other conditions, etc. if any, subject to which vesting shall take place and other terms and conditions thereto. The option shall not be transferable and can be exercised only by the employees The amount of the total Options available for grant under the Plan shall not, at any time, exceed 200,000 (Two Lakh) Options, exercisable into shares.	(b) Grant of Option to identified employees, 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 of option. The Grant shall be in writing and shall specify the number of options granted, the price payable for exercising the options, the date/s on which some or all of the Options shall be eligible for vesting, fulfillment of the performance and other conditions, etc. if any, subject to which vesting shall take place and other terms and conditions thereto. The option shall not be transferable and can be exercised only by the employees The amount of the total Options available for grant under the Plan shall not, at any time, exceed **500,000** (**Five Lakh**) Options, exercisable into shares Any amendments in the aforementioned clause shall be subject to approval from the shareholders of the company.
2	13.5 Grant Plan	All employees who are eligible as per Section 21 of the Plan shall be granted options on the date they become eligible under the Plan. However, the Nomination & Remuneration Committee has absolute right in granting options even if the employees do not meet or meet, one or more of the eligibility criteria given in Section 21.	All employees who are eligible as per Section 21 of the Plan shall be granted options on the date they become eligible under the Plan. Any amendments in the aforementioned clause shall be subject to approval from the shareholders of the company.
	14.1 Vesting plan (Condition & Schedule)	The vesting period for the grant shall be decided by the Nomination & Remuneration Committee.For eligible employees as identified by the Nomination & Remuneration Committee and at their sole discretion. The minimum vesting period will be 1(one) year from the date of grant. The vesting of the options shall take place over a maximum of 8 (eight) years from the date of grant. If any long leave (as defined in clause 9) is taken by the employee, then the duration of this leave will be added to the vesting period. The Nomination & Remuneration Committee may waive of the long leave duration. In case of new employees, the minimum period of one year shall be reckoned from the date of Grant of Options. The organization may decide to impose individual and organizational performance vesting criteria or any other vesting criteria as it may see fit, from time to time. Vesting of Options would be a function of continued full-time employment with the Company and achievement of performance criteria as specified by the Nomination & Remuneration Committee. The specific Vesting schedule subject to which Vesting would take place would be outlined in the Grant letters to the Option Grantee at the time of Grant of Options.	The options may be vested in the proportion of 10:20:30:40 of benefit value, over the 4-Year period of Long Range Plan and subject to achievement of individual and organizational performance. The minimum vesting period will be 1(one) year from the date of grant. The vesting of the options shall take place over a maximum of 4 (four) years from the date of grant. Specific extension for vesting period may be granted by the Nomination and Remuneration Committee, only in force majeure situations like pandemic or Covid etc. In case of new employees, the minimum period of one year shall be reckoned from the date of Grant of Options. Vesting of Options for all employees would be subject to continued full-time employment with the Company and achievement of performance criteria as follows: The Board of Directors shall approve a revenue-based Long Range Plan (LRP) to be achieved by the company/ business units for four years, broken into four annual operating plans where each of the yearly plans shall be drawn to deliver a minimum of 20% year on year growth in Sales. The yearly vesting of Stock Options shall range between 50% to 100% and be performance-linked & slab based, on fulfilment of both the following conditions:

Clause No.	Existing scheme (highlighted portion to be deleted)	Proposed scheme (highlighted portion to be inserted)
	In addition to this, the Nomination and Remuneration Committee may also specify certain performance parameters subject to which the Options would Vest. The specific Vesting schedule and conditions, if any, subject to which Vesting would take place would be outlined in the Letter of Grant given to the Grantee at the time of the Grant of Options. Notwithstanding anything to the contrary in this plan, the Nomination & Remuneration Committee may be entitled to in its absolute discretion, to vary or alter the Vesting Date from employee to employee or for different grades of employees, as it may deem fit. The employee shall return the signed Option Agreement within two weeks to the Company to notify his/ her acceptance from the date of being officially notified of options being granted to him.	• Achievement of a minimum threshold of 80% sales plan for each of the four annual operating plans by the business unit, as well as, • The individual performance rating of the grant holder, being at least 'Meets Expectation' (Out of - Needs Improvement, Meets Expectations, Exceeds Expectations) in each of the plan years. The yearly vesting will not get triggered unless both the conditions, i.e. the achievement of the minimum 80% sales threshold of the plan and the individual performance of the grant holders are achieved. In line with the above, the Nomination and Remuneration Committee shall define the specific achievement slabs and commensurate vesting proportions which will range between 50% to 100% of the eligible options available to vest for the respective year. Accumulation of yearly vesting allowed: If the sales achievement falls short in any year and the grant holders are not allowed to vest any or all of the options, the options can be carried forward to be vested in the subsequent years, within the LRP period, provided the condition of cumulative achievement of the four-year LRP is achieved. The specific Vesting schedule subject to which vesting would take place would be outlined in the grant letters to the option grantee at the time of grant of options. The employee shall return the signed Option Agreement within two weeks to the Company to notify his/ her acceptance from the date of being officially notified of options being granted to him. Any amendments in the aforementioned clause shall be subject to approval from the shareholders of the company.
15.2 Exercise Period	Notwithstanding any provisions to the contrary in this Plan, the Options must be exercised within- eight years from the date of grant or such other period as may be determined by the Nomination and Remuneration Committee from time to time	Notwithstanding any provisions to the contrary in this Plan, the Options must be exercised within- eight years from the date of grant. Any amendments in the aforementioned clause shall be subject to approval from the shareholders of the company.
15.3 Exercise Price.	The Exercise Price would be decided by the Nomination & Remuneration Committee subject to compliance with the provisions of the SEBI (Share Based Employee Benefits) Regulation, 2014, in the Committee's meeting on the date of Grant. Such Exercise Price will be specified in the relevant Letter of Grant given to the Grantee at the time of the Grant of Options.	The exercise price per option in performance-based ESOP scheme 2020 shall be based on the closing price of the day prior to the date of Grant on the recognized stock exchange and shall be decided by the Nomination & Remuneration Committee, subject to compliance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulation, 2021. The Nomination and Remuneration Committee may provide a maximum discount of up to 50% (fifty percent) on the above price.

Clause No.	Existing scheme (highlighted portion to be deleted)	Proposed scheme (highlighted portion to be inserted)
	The Company may reprice the unexercised Options, whether or not such Options have been vested, if there is a fall in the share price in the market which renders the Grant price unattractive. However, the Company will ensure that such repricing should not be detrimental to the interest of the employees and the approval of the shareholders of the Company in a General Meeting has been obtained for such repricing. All Shares of the Company allotted consequent to Exercise of Options shall rank pari passu with the then existing equity shares of the Company.	Such Exercise Price will be specified in the relevant Letter of Grant given to the Grantee at the time of the Grant of Options. Any amendments in the aforementioned clause shall be subject to approval from the shareholders of the company.
21 Eligibility	A Stock Option Grant made pursuant to the Plan may be Granted only to an individual who, at the time of Grant, • Is an employee of the Company and/or • Has been identified as a key resource by the Nomination & Remuneration Committee based on factors such as performance, tenure, level, and role The Nomination & Remuneration Committee however is authorized to change the eligibility criteria from time to time, on the recommendation of the Board and subject to the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Each Grant shall be evidenced by a written instrument duly executed by or on behalf of the Company.	A Stock Option Grant made pursuant to the Plan may be Granted only to an individual who, at the time of Grant, • Is an employee of the Company and/or • Has been identified as a key resource by the Nomination & Remuneration Committee based on factors such as performance, tenure, level, and role Each Grant shall be evidenced by a written instrument duly executed by or on behalf of the Company. Any amendments in the aforementioned clause shall be subject to approval from the shareholders of the company.

A copy of the amended Scheme, would also be available for inspection, by the Members without any fee, at the Registered Office of the Company during normal business hours on any working day (except Saturday and Sunday). The approval of the Members on Item No. 7 is being sought by way of a Special Resolution for the amendment of the existing Scheme. The Directors (excluding Independent Directors) or Key Managerial Persons of the Company and their relatives may be deemed to be concerned or interested in the Resolution to the extent of the employee stock options granted / may be granted to them.

The salient features of ESOP Scheme, 2020 as per the SEBI (SBEB & SE) Regulations, 2021 are as under:

Sr. No.	Particulars	ESOP Scheme 2020
1.	Brief Description of Scheme	The objective of ("ESOP Scheme, 2020") is to redesign the long term incentive tool to attract, retain and motivate talented employees in line with the industry practices, align employee's interest with that of the shareholders, provide wealth creation opportunities to critical employees, reward employee performance with ownership.
2.	The total number of options, shares or benefits, as the case may be, to be offered and granted	The amount of the total Options available for grant under the Plan shall not, at any time, exceed 500,000 (Five Lakh) Options, exercisable into shares. Further, the maximum number of Options that can be granted and the Shares arise upon exercise of these Options shall stand adjusted in case of corporate action (as defined in the Plan).
3.	Identification of classes of employees entitled to participate and be beneficiaries in the scheme(s)	Following classes of employees are entitled to participate in the Plan: a) a permanent employee of the Company who has been working in India or outside India; or b) a director of the Company, whether whole time director or not but excluding an independent director; c) but does not include- 1. an employee who is a promoter or a person belonging to the promoter group; or 2. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company;
4.	Requirements of vesting and period of vesting	a) The options will vest, subject to continued employment with the company and achievement of performance criteria . The options may be vested in the proportion of 10:20:30:40 of benefit value, over the LRP period, subject to individual and organizational performance achievement, as specified in policy. The Board of Directors shall approve a revenue-based Long Range Plan (LRP) to be achieved by the company/business units for four years, broken into four annual operating plans where each of the yearly plans shall be drawn to deliver a minimum of 20% year on year growth in Sales. The yearly vesting of Stock Options shall range between 50% to 100% and be performance-linked & slab based, on fulfilment of both the following conditions: • Achievement of a minimum threshold of 80% sales plan for each of the four annual operating plans by the business unit, as well as, • The individual performance rating of the grant holder, being at least 'Meets Expectation' (Out of - Needs Improvement, Meets Expectations, Exceeds Expectations) in each of the plan years. The yearly vesting will not get triggered unless both the conditions, i.e. the achievement of the minimum 80% sales threshold of the plan and the individual performance of the grant holders are achieved. In line with the above, the Nomination and Remuneration Committee shall define the specific achievement slabs and commensurate vesting proportions which will range between 50% to 100% of the eligible options available to vest for the respective year. Accumulation of yearly vesting allowed: If the sales achievement falls short in any year and the grant holders are not allowed to vest any or all of the options, the options can be carried forward to be vested in the subsequent years, within the LRP period, provided the condition of cumulative achievement of the four-year LRP is achieved. The specific Vesting schedule subject to which vesting would take place would be outlined in the grant letters to the option grantee at the time of grant of options.

Sr. No.	Particulars	ESOP Scheme 2020
		b) The minimum vesting period will be 1(one) year from the date of grant. The vesting of the options shall take place over a maximum of 4 (four) years from the date of grant. c) The vesting will be subject to the employees continued employment with the Company. The prescribed eligibility criteria for ascertaining the eligibility criteria shall inter alia include performance-linked parameters such as achievement of long term revenue-linked objectives of the company or business zone or division or any specified work area along with qualifying of individual performance parameters of the employee within the specified period, as decided by the Nomination and Remuneration Committee.
5.	Maximum period (subject to Regulation 18 (1) and 24 (1) of the regulations, as the case may be) within which the options / benefit shall be vested	a) The vesting of the options shall take place over a maximum of 8 (eight) years from the date of grant
6.	Exercise price, purchase price or pricing formula	The exercise price per option in performance -based ESOP scheme 2020 shall be based on the closing price of the day prior to the date of Grant on the recognized stock exchange and shall be decided by the Nomination & Remuneration Committee, subject to compliance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulation, 2021. The Nomination and Remuneration Committee may provide a maximum discount of up to 50% (fifty percent) on the above price.
7.	Exercise period/ offer period and process of exercise/ acceptance of offer	a) The Exercise period shall commence from the date of vesting of Options. b) The Exercise period shall be subject to a maximum period of 8 (Eight) years from the date of Grant. **Process of Exercise:** i) The Grantee may Exercise the Options by submitting Exercise Application to the Company accompanied with the: • Payment of an amount equivalent to the Option Exercise Price • Such other documentation as the Nomination and Remuneration may specify ii) The Exercise Application shall be in such form as may be prescribed in this regard by the Nomination and Remuneration Committee and the Nomination and Remuneration Committee may determine the procedure for such Exercise from time to time.
8.	The appraisal process for determining the eligibility of employees for the scheme(s).	The appraisal process for determining the eligibility of the employees will be determined by the Nomination and Remuneration Committee, based on the parameters which may include identification of key resources based on factors such as performance, tenure, level, and role etc.
9.	Maximum number of options, shares, as the case may be, to be offered and issued per employee and in aggregate, if any	a) The Committee may from time to time make Grants to one or more Employees, determined by it to be eligible for participation in the Plan in accordance with the provisions of the Plan. b) The maximum number of employee options that can be granted to any eligible single employee during any one-year shall not be equal to or exceed 1% of the issued capital of the Company.

Sr. No.	Particulars	ESOP Scheme 2020
		c) The amount of the total Options available for grant under the Plan shall not, at any time, exceed 500,000 (five lakh) Options, exercisable into shares.
10.	Maximum quantum of benefits to be provided per employee under a scheme(s)	The maximum quantum of benefits to be granted to an employee under the Scheme, will be the difference between the fair value of shares as on the date of exercise and Exercise Price paid by the Employee, subject to applicable taxes.
11.	Whether the scheme(s) is to be implemented and administered directly by the company or through a trust	ESOP Scheme, 2020 shall be administered by the Company and not through a trust
12.	Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both.	The scheme only involves new issue of shares by the Company.
13.	The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilisation, repayment terms, etc	This is not applicable under the present scheme.
14.	Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s).	This is not applicable under the present scheme.
15.	A statement to the effect that the company shall conform to the accounting policies specified in Regulation 15	The Company shall comply with the disclosure and the accounting policies prescribed by concerned Authorities
15.	The method which the company shall use to value its options	The Company shall follow the IND AS 102 on Share-based payments and/ or any relevant accounting standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein and shall use such valuation method as may be prescribed under the applicable regulations.
16.	Period of Lock-in	NIL
17.	Terms & conditions for buyback, if any, of specified securities covered under these regulations	At present, the Company does not contemplate buy back of any specified securities (options) covered under these regulations.
18.	Statement with regard to Disclosure in Director's Report	In case the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.

By Order of the Board
For V-Mart Retail Limited

Place: Gurugram
Date: May 25, 2022

Megha Tandon
Company Secretary
M. No. F10732

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(Pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015) & Secretarial Standard-2

Sr. No.	Particulars	Mr. Lalit M Agarwal	Mr. Madan Gopal Agarwal
1	DIN	00900900	02249947
2	Age	51	78
3	Qualification	Bachelor's Degree in Commerce from Bombay University and a Diploma in Finance from Narsee Monjee Institute of Management Studies, Mumbai	Bachelor's Degree in Arts from the City College, the University of Calcutta
4	Experience	He has more than 28 years of experience in retail industry	He has more than six decades of experience in retail industry
5	Term and condition of appointment	As per the resolution	As per the resolution
6	Details of remuneration to be paid	As per the resolution	As per the resolution
7	Remuneration last drawn (during the FY 2021-22)	₹ 175.63 Lakhs	₹ 31.55 Lakhs
8	Date of appointment at Board	21/05/2012	21/05/2012
9	Shareholding in the company as on March 31, 2022	Nil*	Nil*
10	Relationship with other Directors/ KMP/Managers	Son of Mr. Madan Gopal Agarwal, Whole-time Director of the Company	Father of Mr. Lalit M Agarwal, Managing Director of the Company
11	No. of Board Meeting attended during the year (2021-22)	5	5
12	Other Directorship	Conquest Business Services Private Limited	Conquest Business Services Private Limited
13	Membership /chairmanship of committee of other Board	Nil	Nil

* Includes only in individual capacity.

BOARD'S REPORT

Dear Members,

Your Company's Directors are pleased to present the 20th Annual Report of the Company, along with Audited Accounts, for the financial year ended March 31, 2022.

FINANCIAL RESULTS

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

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Revenue	**1,68,013**	109,650
Profits/(Loss) before Depreciation & Tax	**14,109**	9,331
Less: Depreciation	**13,070**	10,297
Loss/Profit before tax	**1,040**	(966)
Less: Tax Expense	**(124)**	(346)
Net Loss/Profit for the period	**1,164**	(620)
Less: Utilised for Dividend Issue including DDT	**0**	0
Other comprehensive income	**(187)**	(31)
Balance carried forward to Balance Sheet	**977**	(1,114)



PERFORMANCE REVIEW

The Net Sales of the Company increased by 55% to ₹ 1,66,617 lakhs in financial year 2021-22 as against ₹ 1,07,546 lakhs in F.Y. 2020-21. The Company has posted Operating Profits and EBITDA for FY 2021-22 of ₹ 20,433 lakhs (FY 2020-21 of ₹ 13,121 lakhs) and PAT for FY 2021-22 of ₹ 1,164 lakhs (FY 2020-21 of ₹ (620) lakhs).

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 the Annual Report.

OPERATIONS REVIEW

During the year, the Company has acquired 74 stores and 1 warehouse from Arvind Lifestyle Brands Ltd, a wholly owned subsidiary of Arvind fashions for cash by way of Assets transfer Agreement (ATA). As per ATA the company has acquired the fixed assets at these stores, inventory with age less than one year, lease and other current assets of Unlimited business along with the brand Unlimited at fair value. The acquisition allowed the Company to expand its geographical footprint in South India with the acquisition of successfully running 74 store locations across 6 new states with a 7.8 lakh sq ft area.

Focusing on expansion opportunities with a long-term view, your Company opened 113 new stores during the year, including acquisition of 74 Unlimited stores in South India, the total store count was increased to 380 and thereby growing the total retail area by 43.5% y-o-y to 33 lakhs sq. ft. During the year under review 12 stores were closed.

The Company has designed its efforts to unlock the next level of efficiency across the business operations. The Company is investing significantly in ramping up its warehousing capacity and improving the technology backbone to realize higher efficiencies and continues to make process improvements across our value chain to strengthen our capabilities and capacities. The Company working toward augmenting the organisational structure by acquiring the best-in-class talent and ensuring world-class training for the people to facilitate growth.

The Company remain steadfastly focused on enhancing brand differentiation in the crowded market through a more relevant and focused product assortment and in-store experience. During FY 2021-22, the Company has launched several initiatives and programmes to enhance our brand proposition which includes:

- Established a marketing property i.e. "fashion ka pyar, har tyohar" as the sole communication icon to bind all our festival- related communication.
- Launched Digital Video film- "Break Free Live free", to celebrate the unlocked period enabling people to come out, wear fashion and celebrate it. This was clubbed with Summer, Holi and Eid festivals.
- Initiated upgradation of the communication standards, moved up from Limbo photoshoot style to proper outdoor shoot for AW '21 & SS'22 with aspirational imagery to connect with youth.

Being a responsible corporate, the Company have introduced eco-friendly V-Green range of fashion. It underscores the sustainability initiatives of the Company from the environmental perspective. The Company is making significant investments in promoting this as a key value proposition.

Amidst the rapidly changing business landscape, the Company has been prompt in responding to the importance of being a digital business. The Company strived to manage the expectations of customers as well as internal functions to ensure that investments in analytics and technology improve the current business model. With a view to provide a seamless shopping experience to customers, the Company continues to enhance its omnichannel platform. The Company remains committed to leveraging its digital marketing channels and analytics to drive business operations. In January 2022, the company has launched a shop-at-home programme titled 'Happiness Agents' as a measure in response to the Covid pandemic. The programme is powered by the proprietary customer data platform, offering modules within the company's website and serviced by the store teams.

The Company is continuously investing in building the online channels to complement the robust physical presence, to create a unique 'online for offline' proposition that is crafted to:

- Create digital user journeys that deliver convenience and discoverability of digital presence and payments to the existing offline customers.
- Drive volumes of digital orders from all digital channels, including marketplaces, directly to physical stores and win customers by achieving SLAs.
- Ensure that we stay persistent relevant in the online space ruled by large marketplaces built over large digital spends, and thus grow as indispensable partners to marketplaces.
- Provide seamless anywhere-anytime shopping experience to the customers.

The Company's product assortment underscores its continued commitment to identify and bring latest and differentiated fashion to its customers at highly affordable price points. To strengthen the efforts, the Company have crafted a new strategic roadmap for accelerated growth, which is aligned with the growing focus on meeting the evolving aspirations of the consumers living in Tier 2, 3 and 4 cities by mapping a well-defined journey to build the V-Next proposition by taking us into new geographies of growth. The Company has embarked on a 15-month V-Next journey, aimed at unlocking greater efficiencies and setting ourselves up for rapid growth. This journey is structured around the following focus areas:

- Consumer insights led category strategy
- Pre-season planning
- Strategic sourcing of apparel and input material nomination
- In-season planning & execution
- Process design & capability augmentation

DIVIDENDS

In terms of Dividend Distribution policy, your Directors in its meeting held on Wednesday, the 25th day of May, 2022, recommended a dividend of ₹ 0.75 per share @7.5%, for the financial year ended March 31, 2022. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting.

RESERVES

During the year, there is an addition of ₹ 2,435 Lakhs to reserves on account of amount transferd from statement of profit & loss, of ₹ 1,164 Lakhs from other comprehensive income of ₹ (187) Lakhs and ₹ 1,084 Lakhs on account of employee stock option including premium on issue of ESOPs. Post transfer, the reserves stood at ₹ 82,987 Lakhs as on March 31, 2022.

CREDIT RATING

Investment Information and Credit Rating Agency of India Limited (ICRA) has maintained the long- term rating of [ICRA] AA- (pronounced ICRA double A minus) and also maintained the short-term rating of [ICRA] A1+ (pronounced ICRA A one plus) assigned to the overall ₹ 195 crores Line of Credit of your Company.

The credit rating of the Company is as under as on date:

Facilities	Existing Rating	Reaffirmed Rating
Long term bank limits	[ICRA] AA- (ICRA double A minus) (with stable outlook)	[ICRA] AA- (ICRA double A minus) (with stable outlook)
Short term bank limit	ICRA A1 + (ICRA A one plus)	ICRA A1 + (ICRA A one plus)

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 the Annual Report.

AWARDS AND ACCOLADES

The performance of your Company has been widely recognised and honored through couple awards and accolades. In particular, we have been appreciated for our best practices and business excellence, and have been honored for being an award-winning workplace.

- V-Mart Certified as India's Best Workplace in Retail, 2022 - by Great Place to Work supported by RAI
- The CNBC Masters of Risk award - Retail & Consumer Sector

LISTING

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

Exchange	Scrip Code	ISIN
NSE	VMART	INE665J01013
BSE	534976	

The listing fees for fiscal 2022 have been paid for all of the above stock exchanges where the equity shares of the Company are listed.

WEBLINK 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 copy of Annual Return in prescribed form MGT–7 to be placed on the Company's website at the link www.vmartretail.com upon filing the same with ROC.

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

Five (5) Board meetings were held during the year under review, the details of which are given in the Corporate Governance report forming 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

In order to ensure that the Board and board committees are functioning effectively and to comply with statutory requirements, the annual performance evaluation of the Board, board committees and individual directors was conducted during the year. The evaluation was carried out based on the criteria and framework approved by the Nomination & Remuneration

Committee in the manner prescribed in the provisions of the Companies Act, 2013 and as per the Corporate Governance requirements prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The evaluation criteria included various aspects such as:

The Board – Structure, composition of the Board, board meeting schedule, agenda and collaterals, board meeting practices and overall effectiveness of the Board

Board committees – Composition, role and responsibilities, information flow and effectiveness of the meetings, effectiveness of committee chairpersons, etc.

Independent Directors – Independence from the Company, exercising independent judgement in decision-making, contributing strongly and objectively to the Board deliberations based on their external expertise, etc

Executive Directors – Attendance, preparedness for discussion, quality of contribution, engagement with fellow board members, KMPs and senior management, etc.

Chairperson – Leadership of the Board, promoting effective participation of all board members in the decision-making process, etc

All the directors participated in the evaluation process. The responses received from the board members were compiled by the Secretarial department of the Company and a consolidated report was submitted by the Company Secretary to the Board. The Board discussed the outcome of the same and agreed to work on the action plan.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors consists of six members, of which four are Independent Directors. The Board also comprises one woman Independent Director.

In pursuance of section 203 of the Companies Act, 2013, the key managerial personnel of the Company are:

Mr. Lalit M Agarwal, Managing Director, Mr. Madan Gopal Agarwal, Whole-time Director, Mr. Anand Agarwal, Chief Financial Officer and Ms. Megha Tandon, Company Secretary.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Madan Gopal Agarwal (DIN: 02249947) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors recommends his reappointment and the matter is being placed for the approval of members at the ensuing Annual General Meeting of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary disclosures from each of its four Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet 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 payments towards the sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The policy of the Company 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 A to this report.

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 etc.

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 seven Board committees namely: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Investment and Warehousing Committee.

A detailed note on the Board and its Committees is provided under the Corporate Governance report section which is forming part of 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 forms part of this report. The Company has also complied with disclosing the required details on the website of the company on www.vmartretail.com 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) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Practicing Company Secretary's certificate on Corporate Governance is enclosed as Annexure to the Board Report.

SHARE CAPITAL

a) Buy Back of Securities: The Company has not bought back any of its securities during the year under review.

b) Issue of Sweat Equity: The Company has not issued any sweat equity shares during the year under review.

c) Issue of Bonus Shares: The Company has not issued any bonus shares during the year under review.

d) Employees Stock Option / Restricted stock units: The Company has adopted the ESOP Scheme 2012 and the ESOP Scheme, 2020 as per the applicable SEBI regulations and approved by the members at Annual General Meeting of the Company.

e) A certificate from the Secretarial Auditor under share based payment regulations has been obtained and shall be available for inspection at the Annual General Meeting of the Company.

The Company has implemented an Employee Stock Option Scheme, which was approved by the Board of Directors and the shareholders vide resolution dated July 2, 2012 and July 10, 2012 respectively ('the V-Mart ESOP Scheme 2012'), consequent to which 300,000 equity shares of ₹ 10 each were to be granted upon exercise as stock options (ESOPs) to eligible employees. Subsequently the shareholders in its meeting held on September 18, 2017 approved an amendment in the said ESOP scheme by increasing the total number of stock options from 300,000 to 600,000 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.

Further, the Company has also implemented an Employee Stock Option Scheme 2020, which was approved by the Board of Directors and the shareholders vide resolution dated August 10, 2020 and September 30, 2020 respectively ('the V-Mart ESOP Scheme 2020'), consequent to which 200,000 equity shares of ₹ 10 each were to be granted upon exercise as stock options (ESOPs) to eligible employees. The exercise price of these options will be determined by the Nomination & Remuneration Committee and the options will vest over a period from 12 to 48 months subject to achievement of performance matrix by the company as well as the eligible employees during the 48 months from the date of grant.

The grant details under the both the scheme(s) during the year are as follows:

Scheme	Grants	Vesting	Timeline
V-Mart ESOP Scheme 2012	During the financial year 2021-22 – 1 grant has been made comprising a total of 705 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
V-Mart ESOP Scheme 2020	During the financial year 2021-22 – 2 grants have been made comprising a total of 20,780 options	10% of the total grant	After 12 months from the date of grant
		20% of the total grant	After 24 months from the date of grant
		30% of the total grant	After 36 months from the date of grant
		40% of the total grant	After 48 months from the date of grant

Details of equity shares allotted under ESOP Scheme 2012 during the year are as follows:

Sr. No.	Date of Allotment	No. of shares Allotted
1	May 28, 2021	4,973
2	August 10, 2021	21,673
3	November 8, 2021	7,262
4	February 10, 2022	9,403
	Total	**43,311**

The information required to be disclosed under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on March 31, 2022 are as follows:

Particulars	Details
Date of Shareholders Approval	ESOP Scheme 2012: July 10, 2012 ESOP Scheme 2020: September 30, 2020
Total number of options approved	ESOP Scheme 2012: 6,00,000 ESOP Scheme 2020: 2,00,000
Vesting Requirements	ESOP Scheme 2012: Tenure Based ESOP Scheme 2020: Performance Based
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	ESOP Scheme 2012: 88,372 ESOP Scheme 2020: 1,80,430
Number of options granted during the year	ESOP Scheme 2012: 705 ESOP Scheme 2020: 20,780
Number of options forfeited / lapsed during the year	ESOP Scheme 2012: 3,813 ESOP Scheme 2020: 21,159
Number of options vested during the year	ESOP Scheme 2012: 37,475 ESOP Scheme 2020: Nil
Number of options exercised during the year	ESOP Scheme 2012: 43,311 ESOP Scheme 2020: Nil
Number of shares arising as a result of exercise of Options	ESOP Scheme 2012: 43,311
Money realized by exercise of options (₹in Lakhs)	ESOP Scheme 2012: 758.19 ESOP Scheme 2020: Nil
Number of options outstanding at the end of the year	ESOP Scheme 2012: 41,953 ESOP Scheme 2020: 1,80,051
Number of options exercisable at the end of the year	ESOP Scheme 2012: 20,902 ESOP Scheme 2020: Nil
Pricing Formula	The Nomination & Remuneration Committee is authorized to determine the exercise price of ESOPs.
Person-wise details of options granted during the Financial Year 2021-2022:	
Senior managerial personnel/key managerial personnel	ESOP Scheme 2012: ESOP Scheme 2020:

Particulars		Details
i)	A. No of options granted and its exercise price (ESOP Scheme 2012)	
	Name	Nil
	Number of shares	Nil
	Exercise Price Per share	Nil
	B. No of options granted and its exercise price (ESOP Scheme 2020)	
	Name	Jaideep Jaiman
	Number of shares	7,617
	Exercise Price Per share	1,400
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		5.88
Lock-in		NIL
Impact of the difference on the profits of the Company and on the EPS		Impact of the difference on Profits: 703.77 Lakhs Impact of the difference on EPS: 0.02
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)		108.59 Lakhs
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: As mentioned in Below table
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: As mentioned in below table
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'.
how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility		The volatility has been calculated based on one year average of standard deviation of the daily changing share price of V-Mart Retail Ltd./ Company.
whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition		The fair value is calculated using Black Scholes Option pricing model

Particulars	ESOPs Grant IV	ESOPs Grant V	ESOPs Grant VI	ESOPs Grant VII	ESOPs Grant VIII	ESOPs Grant IX	ESOPs Grant X	ESOPs Grant XI	ESOPs Grant XII	ESOPs Grant XIII	ESOPs Grant XIV	ESOPs Grant XV
ESOP Scheme	Scheme 2012	Scheme 2012	Scheme 2012	Scheme 2012	Scheme 2012	Scheme 2012	Scheme 2012	Scheme 2012	Scheme 2012	Scheme 2020	Scheme 2020	Scheme 2012
Price per option (In ₹)	470	900	1260	2047	2044	2286	2347	1683	1769	1244	1,400	1,842
Risk free return (In%)	7.93	7.80	7.64	7.45	7.42	7.37	7.33	7.26	6.93	6.93	6.41	6.71
Expected Life (In years)	4	4	4	3	3	3	3	3	3	4	4	4
Expected Volatility	30.13%	42.48%	50.76%	40.30%	41.49%	22.23%	22.90%	23.61%	25.68%	24.32%	20.07%	16.30%
Dividend Yield	0.24%	0.18%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.00%
Closing market price of share as on date of option grant	522.35 (NSE) (BSE) 510	1,243.90 (NSE) (BSE) 1220.45	1,412.60 (NSE) (BSE) 1419.8	2,274.05 (NSE) (BSE) 2327.20	2,270.95 (NSE) (BSE) 2367.05	2,540.25 (NSE) (BSE) 2781.05	2,594.85 (NSE) (BSE) 2544.20	1,871.00 (NSE) (BSE) 1911.40	1,966.80 (NSE) (BSE) 1980.95	2,487.55 (NSE) (BSE) 2501.75	2,799.85 (NSE) (BSE) 2701.60	3,683.15 (NSE) (BSE) 3694.15
Weighted average exercise price (In ₹)	470	900	1,260	2,047	2,044	2,286	2,347	1,683	1,769	1,244	1,400	1,842
Weighted average fair value of stock option (In ₹)	211	673	727	902	913	792	807	591	443	1,473	1,726	771	2,177

EMPLOYEE STOCK OPTION DETAILS:

Grant No.	Grant Date	ESOP Scheme	Exercise Price	Options Granted	Options vested and exercisable	Options Unvested	Options Exercised	Options Forfeited	Options out-standing
1	July 20, 2012	Scheme 2012	150	1,53,252	1,53,252	-	1,23,264	29,988	-
2	January 5, 2015	Scheme 2012	450	22,350	22,350	-	18,700	3,650	-
3	December 28, 2015	Scheme 2012	573	13,645	13,645	-	13,645	-	-
4	January 30, 2017	Scheme 2012	470	76,225	76,225	0	58,812	17,413	0
5	July 12, 2017	Scheme 2012	900	6,395	6,395	0	6,395	0	0
6	November 09, 2017	Scheme 2012	1,260	9,300	9,300	0	4,528	2,772	2,000
7	May 24, 2018	Scheme 2012	2,047	18,527	18,527	0	4,539	13,746	242
8	July 23, 2018	Scheme 2012	2,044	40,764	40,764	0	24,081	3,210	13,473
9	November 2, 2018	Scheme 2012	2,286	3,426	3,426	0	0	3,426	0
10	May 10, 2019	Scheme 2012	2,347	8,228	4,937	3,291	0	5,369	2,859
11	August 2, 2019	Scheme 2012	1,683	6,025	3,614	2,411	100	3,597	2,328
12	November 10, 2020	Scheme 2012	1,769	27,051	8,115	18,963	6,000	0	21,051
13	December 24, 2020	Scheme 2020	1,244	1,85,950	0	1,85,950	0	18,905	1,67,045
14	May 28, 2021	Scheme 2012	2,520	705	0	705	0	705	0
14	May 28, 2021	Scheme 2020	1,400	7,617	0	7,617	0	0	7,617
15	February 10, 2022	Scheme 2020	1,842	13,163	0	13,163	0	1,624	11,539

MOVEMENT OF STOCK OPTIONS DURING THE YEAR OF ESOP SCHEME 2012 AND ESOP SCHEME 2020:

Total for all grants	No. of Options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	2,68,802	1,430.34
Granted during the year	21,485	1652.24
Forfeited/ Cancelled during the year	(24,972)	1,400.18
Expired during the year	-	-
Exercised during the year	(43,311)	1,750.58
Outstanding at the end of the year	2,22,004	1,032.60
Exercisable at the end of the year	20,902	1,942.61

Weighted average remaining contractual life (in years)

	As at March 31, 2022
Weighted average remaining contractual life (in years)	6.59

CHANGE IN AUTHORISED SHARE CAPITAL

The Authorized Share Capital of your Company as on March 31, 2022 stood at ₹ 25,00,00,000 (Rupees Twenty-Five crores only) divided into 2,50,00,000 (Two Crores and Fifty Lakhs only) equity shares of ₹ 10/- (Rupees Ten only) each.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There were no materially significant related party transactions made by the Company with the Promoters, Key Management Personnel or other designated persons 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: https://www.vmart.co.in/investor/5/corporate-governance. The details of related party transactions entered during the year are provided in the accompanying financial statements. The particulars of the contract or arrangement with related parties referred in section 188(1) of the Companies Act, 2013 in the prescribed form AOC-2, is annexed as Annexure - E to this report.

DEPOSITS

During the FY 2021-22, your Company has not accepted any deposits from the public 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 & investment covered under the provisions of Section 186 of the Companies Act, 2013, if any, form part of the notes to the financial statement provided in this annual report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN MARCH 31, 2022 AND 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 or Associate Company.

REGISTERED OFFICE

The Registered Office of the company is situated at 610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, New Delhi – 110092.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has constituted a Corporate Social Responsibility Committee of the Board. As on March 31, 2022 the CSR Committee comprising of five members, namely Mr. Lalit M Agarwal (Chairperson), Mr. Madan Gopal Agarwal, (Member) Mr. Aakash Moondhra, (Member) Ms. Sonal Mattoo (Member) and Mr. Govind Shridhar Shrikhande (Member). 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 the company's website.

As per the Companies Act, 2013, every company having net worth of rupees five hundred crores or more, or turnover of rupees one thousand crores or more or a net profit of rupees five crores or more during immediately preceding 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, or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy. Accordingly, the Company was required to spend ₹ 110.86 lakhs on CSR activities during the year.

During the year under review your Company has spent an amount ₹ 247.77 lakhs towards the Corporate Social Responsibility.

The company has spent all its CSR obligations during the period under review.

The annual report on CSR Activities is appended as Annexure-B 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 programs, training/ awareness of the employees, layout of machines and prompt upkeep is a continuous exercise.

The Company has continue its efforts and taken many energy saving initiatives such as:

- Multiple energy conservation practices have been put in place like employees switching off all power points during lunch breaks, all Air Conditioners (AC's) in the head office having temperature sensors to ensure periodic compressor cuts, and installation of motion sensor-enabled lighting system enabled at the warehouse of the Company.
- Multiple water recycling practices have been adopted such as utilising wastewater in various day-to-day gardening and housekeeping activities, to minimise our dependence on water supply resources.
- Prevention of water wastage due to overflow during the refill process through automatic water tank sensors installed. Further, a few sensor-based water reservoirs have been deployed.
- Arranged and promoted for our teams to use scrap material in the creation of storage space, such as conveyors, storage racks and tables for the warehouse of the Company.
- Ensured more effective and safe management of the scrap, by segregating all our scrap waste and selling it to vendors who, in turn, sell it to manufacturing plants for reuse, promarily for plastic and paper waste.
- Reduction in use of materials such as pins and cardboard in packaging has been discontinued for most products. Further, efforts are being made to look for sustainable packaging options for all types of products.
- Ban on plastic bags and usage of paper bags has been encouraged at all stores. Efforts are also being made to encourage customers to bring their shopping bags or to avail cloth bags made available at a minimal price at the stores.
- Introduction of an eco-friendly V-Green range of fashion. It underscores V-Mart's sustainability initiatives by defining the sustainable fashion as high-quality, durable products, followed by a pollution-free production process that does not use hazardous chemicals.
- Further, installed 150 additional motion sensors to control lights in storage area, racks and washroom, saving 7 KW of energy daily.
- Replacing the old machinery and devices with highly energy efficient 5 star rated devices.
- Replacing of higher wattage LED lights with lower wattage LED lights while maintain LUX level of 350 in the warehouse of the Company, thereby saving 2 KW of energy daily.

TECHNOLOGY ABSORPTION

With its sights firmly focused on accelerating long-term growth and sustained value creation for all stakeholders, your Company is steadily making its organisational structure, processes and capabilities more robust and future-ready.

Your Company is enriching its already existing organisation wide data analytics architecture, to feed decision-enabling insights directly to store managers, regional heads and zonal heads. Technology adoption and up gradation across its planning, supply chain and logistics infrastructure.

During the year under review, several technological changes have been implemented at the company's Head-office, warehouse, as well as at the stores which includes:

Supply Chain:

- Improving Vendor data interface by the upgradation of Vendor Portal and Vendor Data Management System with the new features such as:
  1. Improved Quality check;
  2. Advanced Shipment Notice (ASN);
  3. Logistics Support
- Implementation of a Transporter Management system for outbound process;
- INFOR WMS a scalable, Tier-1 advanced warehouse management system for inventory, labor management and 3PL invoicing implemented for Bangalore warehouse of the Company;
- Implemented Warehouse Control System (WCS) for segregation for stores returns (with logic SKU, Article, option and Multi season wise);
- Rule Engine Upgraded and implementation for Inventory Replenishment at stores.

Cyber Security:

- Introduced the Phase-1 Implementation for Cyber Security with the below features:

  System, user and application authentications for security purposes;

  Single sign-on (SSO) an authentication method that enables users to securely authenticate with multiple applications and websites by using just one set of credentials.

Omni Channel :

- Integrating Increff WMS which provides a single view of inventory across all marketplaces and a seamless order inventory for online orders;
- Integration with marketplaces such as Amazon, Myntra and brand.com;
- Implemented Omuni for south stores for Online sales;
- Development of an In-house Product Information Management Tool.

Financial, Operations and Analytics:

- Payment processing automated via Host to Host integration with bank for faster payment processing & reduced human intervention;
- Centralized barcode re-printing tool for stores;
- Upgradation of Tableau Dashboard for business KPIs;
- In-house development and maintenance of coupon engine;
- Launching of a Campaign Manager Tool to automate and schedule rule-based personalized communication marketing campaigns to target customers across event-specific segments, and cohorts.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Sr. no	Particulars	Foreign Exchange Earning (Amount in ₹)	Foreign Exchange Outgo (Amount in ₹)
	Nil	Nil	Nil

CODE OF CONDUCT

The Board of Directors have 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 / behaviours of any form and the Board has laid down directives to counter such acts. The Code has also 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 behaviour, 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 a mechanism whereby whistle blower may send protected disclosures directly to the Chairperson of the Audit Committee or Vigilance Officer. The Policy is available on the website of the Company i.e. www.vmartretail.com

PREVENTION OF INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has in exercise of powers conferred under Securities and Exchange Board of India, Act, 1992 has made the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 to amend the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

In view of the above the code of conduct to regulate, monitor & report trading by insider, has been approved by the Board of Directors at their duly convened meeting.

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 persons 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 Directors and the designated person have confirmed compliance with the code.

RISK MANAGEMENT

Enterprise risk management (ERM) is a key area of operation for every responsible organisation. In recent years, volatile external factors have increased the significance of ERM for organisation. Your Company is working in an open environment and hence faces various types of risk. Your Company has constituted a Risk Management Committee of the Board. The composition of the Committee as on March 31, 2022 is as follows:

- Mr. Murli Ramachandran (Chairperson),
- Mr. Aakash Moondhra (Member),
- Ms. Sonal Mattoo (Member) and
- Mr. Govind Shridhar Shrikhande (Member).

*as on March 31, 2022

The Committee is responsible for monitoring and reviewing the risk management plan & policy and ensuring its effectiveness.

The details in respect of risk management are included in the Management Discussion and Analysis, which is a part of this report.

HUMAN RESOURCE MANAGEMENT

During the FY 2021-22 the Compnay continued to invest in the growth, progression, welfare and well-being of the employees. The focus for the year was on Capability Building, Employee Engagement and Key Talent Management. We have launched several programmes for training and capability building of our employees during the year.

The Compnay has conducted assessment development for all the employees at the head officethe warehouse and the zones during the year. The exercise included talent mapping across designations, as well as identification of high potential employees below the managerial level and successors among the above manager level.

During the year the Compnay has launched Leadership. Effectiveness. Acceleration. Programme' (LEAD) for the leadership team development. As a responsible corporate, we remain focused on building and nurturing gender diversity in the organisation. Our women-centric programmes also focus on leadership training and promotions among women.

Our employee initiatives during the year focused on creating awareness, Covid Safety updates, work from home guidelines, PMS mailers, performance management updates, Alt learning and HR- linked updates.

The Company has also launched various wellness programmes for our people, including V-Care Vaccination, Drive Thrive Wellness Series, tie-up with Practo (online booking of doctors), Yoga and Zumba classes, Physiotherapy, etc.

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-C to the Board Report.

The details of the employees of the Company employed throughout the financial year was in receipt of a remuneration of ₹ 1.02 crores or more, or employed for the part of the year and in receipt of ₹ 8.5 lakhs or more a month under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned in Annexure C to this report.

INTEGRATED REPORT

Your Company has voluntarily provided Integrated Report, which encompasses both financial and non-financial information to enable the Members to take well informed decisions and have a better understanding of the Company's long term perspective.

The Report also touches upon aspects such as organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social, relationship capital and natural capital.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) were appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 16th Annual General Meeting held on June 29, 2018 until the conclusion of 21st Annual General Meeting of the Company to be held in the calendar year 2023, subject to annual ratification by members at every Annual General Meeting, on such remuneration as may be decided. However, vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of annual ratification has been omitted.

AUDITORS REPORT

There was no observation or qualification in the Auditors Report for the financial year ended March 31, 2022. 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 FY 2021-22, 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-D to the Board's Report.

The observation made by the Secretarial Auditor is self-explanatory in nature and requires no further clarification.

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, 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 details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

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: 2 (two)

b) Number of complaints disposed-off during the year: 2 (two)

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

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

e) Nature of action taken by the employer or district officer: A detailed investigation was carried out by the Company and the appropriate action were taken to resolve the matter.

INCIDENT OF FRAUD

No material 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 dividends 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.vmartretail.com

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

As stipulated in terms of the provisions of Regulation 34 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Company has voluntarily adopted the Business Responsibility and Sustainability 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.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the Companies Act, 2013 are not applicable for the business activity carried out by the Company.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the SEBI (Listing obligations and Disclosures Requirements) Regulations 2015 ("the listing regulations"), the top 1000 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 available on the Company's website at the link www.vmartretail.com

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 have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere appreciation for the excellent support and co-ordination extended by the employees, shareholders, customers, suppliers, bankers and all other business associates.

Your Directors gratefully acknowledges on going cooperation and support provided by Central Government and State Government and all regulatory authorities.

Your Directors appreciate and value the contribution made by every member of the V-Mart family.

By the Order of the Board and
On behalf of the Board

Lalit M Agarwal
Managing Director
DIN: 00900900

Aakash Moondhra
Chairperson and Independent Director
DIN: 02654599

Place: Gurugram
Date: May 25, 2022

ANNEXURE – A 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 summarized 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 and long-term performance objectives appropriate to the working of the company and its goals.

3. PRINCIPLES OF REMUNERATION

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

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

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

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

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

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

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

4. NOMINATION AND REMUNERATION COMMITTEE

4.1 The Board of Directors has constituted the Nomination & Remuneration Committee by renaming the existing Remuneration Committee. The members of the Committee comprises of four independent directors.

4.2 The Committee is responsible for:

4.2.1 Formulating framework and/or policy for remuneration, terms of employment including service contracts, policy for and scope of pension arrangements, etc. for Executives and reviewing it on a periodic basis;

4.2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Director.

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

4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;

4.3 The Committee shall:

4.3.1 review the ongoing appropriateness and relevance of the 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 authorized by the Board of Directors of the Company to the Committee in terms of the provisions of Companies Act, 2013 and other applicable laws.

5. PROCEDURE FOR SELECTION AND APPOINTMENT OF THE BOARD MEMBERS

5.1 Board membership criteria

The Committee, along with the Board, reviews on an annual basis, 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. BOARD DIVERSITY

6.1 The Company acknowledges the importance of diversity in its broadest sense in the Boardroom as a driver of Board effectiveness. Diversity encompasses diversity of perspective, experience, education, background, ethnicity and personal attributes. The Company recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that director with the right skills and experience can play in contributing to diversity of perspective in the Boardroom.

6.2 The Committee shall review and evaluate Board composition to ensure that the Board and its Committees have the appropriate mix of skills, experience, independence and knowledge to ensure their continued effectiveness. In doing so, it will take into account diversity, including diversity of gender, amongst other relevant factors.

6.3 The Committee shall monitor and periodically review the Board Diversity and recommend to the Board so as to improve one or more aspects of its diversity and measure progress accordingly.

7. PROCEDURE FOR SELECTION AND APPOINTMENT OF EXECUTIVES OTHER THAN BOARD MEMBERS

7.1 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;

7.2 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;

7.3 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;

7.4 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;

7.5 Before the selection of Employee, the recommendations and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;

7.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

8. 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 and its Committee Meetings. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors is ₹ 1,00,000/- Lakh and ₹ 75,000/- for meeting of Audit and Nomination and Remuneration Committee 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 commission, subject to requirements of applicable laws and payment matrix as approved by the Board/Nomination and Remuneration Committee of the Company.

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.

9. ROLE OF INDEPENDENT DIRECTORS

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

9.2 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.

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

10. APPROVAL AND PUBLICATION

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

10.2 This policy shall be hosted on the Company's website.

10.3 The policy shall form part of the Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

11. SUPPLEMENTARY PROVISIONS

11.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.

11.2 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.

11.3 The right to interpret this Policy vests in the Board of Directors of the Company.

ANNEXURE – B to Board Report

ANNUAL REPORT ON CSR ACTIVITIES

The Company focuses 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:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Lalit M Agarwal	Chairperson	4	4
2.	Mr. Madan Gopal Agarwal	Member	4	4
3.	Mr. Aakash Moondhra	Member	4	4
4.	Ms. Sonal Mattoo	Member	4	4
5.	Mr. Govind S. Shrikhande	Member	4	4

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: http://www.vmart.co.in/nimda/product_image/invester/CSR%20Policy.pd.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	NA	NA	NA
	Total		

6. Average net profit of the company as per section 135(5). : INR 55,43,09,000

7. (a Two percent of average net profit of the company as per section 135(5) : INR 1,10,86,180

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil

   (c) Amount required to be set off for the financial year, if any : Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c) : INR 1,10,86,180

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
2,47,77,000	Nil	NA	Nil	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1	Plaksha- Reimagining Higher Education (Phase I)	Promoting Education (A new model of Engineering Education and Research)	Yes	Mohali, Punjab		5 Year	5,00,00,000	69,85,000	Nil	No	Reimagining Higher Education Foundation	CSR00022112
2	Plaksha- Reimagining Higher Education (Phase II)	Promoting Education (A new model of Engineering Education and Research)	Yes	Mohali, Punjab		4 Years	8,00,00,000	60,15,000	Nil	No	Reimagining Higher Education Foundation	CSR00022112
	Total						**13,00,00,000**	**1,30,00,000**				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
Sl. No.	Name of the Project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.		
				State.	District.			Name	CSR Registration number.	
1	Ujjwal Bhavishya	Promoting Education (for 10th and 12th passed)	Yes	*PAN-India mentioned below the table		14,60,000	Yes	NA		
2	Project Koshish	Promoting Education training to promote nationally recognised sports (Sports Education)	Yes	Haryana (Gurugram) and Delhi		8,12,500	No	Diana Jones Foundation	CSR00009343	
3	Community School	Promoting Education and Eradicating malnutrition (For underprivileged street children)	Yes	West Bengal (North 24 Parganas, Nadia, Hugli & Kolkata)		17,77,600	No	Lotus Rescue Peace Education Culture Creativity Society	CSR00003677	
4	Ekal Vidyalya	Promoting Education (For underprivileged rural children)	Yes	Lucknow, Varanasi (U.P.), Saharsa (Bihar), Dhanbad (Jharkhand), Murshidabad (WB), Dhenkanal (Odisha), Dehradun (Uk)		35,20,000	No	Bharat Lok Shiksha Parishad	CSR00000667	
5	COVID-19 Relief Activity	Eradicating Hunger and Disaster Management	Yes	Gurugram, Haryana		33,03,188	No	Bharat Vikas Parishad Maharana Pratap Nyas	CSR00005562	
6	Gurukulum Foundation	Protection of national heritage, art and culture	Yes	Delhi		1,00,000	No	Gurukulum Foundation	CSR00010955	
	Total					**1,09,73,288**				

* Assam (Dhubri, Jorhat, Nagaon), Bihar (Bhagalpur, Vaishali, Muzaffarpur, Patna, Khagaria), Gujarat (Kutch), Jharkhand (Giridih), Karnataka (Kodagu, Begaluru North, Bangalore, Tamakuru), Madhya Pradesh (shajapur), Maharashtra (Pune), Odisha (Keonjhar, Mayurbanj,), Tamilnadu (Namakkal), Tripura (Gomati, Sepahijala, West Tripura), Uttar Pradesh (Bahraich, Ambedkarnagar, Gorakhpur, Basti, Pilibhit, Sant Kabir Nagar, Lucknow, Hamirpur, Shuklaganj, Unnao, Jaunpur, Kanpur, Farrukhabad, Barabanki, Ghazipur, Fatehpur, Jalaun, Kanpurnagar, Azamgarh), Uttarakhand (Udham Singh Nagar, Haridwar), West Bengal (Murshidabad, Purba Medinipur, Hooghly).

(d) Amount spent in Administrative Overheads : INR 803,712

(e) Amount spent on Impact Assessment, if applicable : NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : INR 24,777,000

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,10,86,180
(ii)	Total amount spent for the Financial Year	24,777,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,36,90,820
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

* The excess amount spent by Company in the current F.Y. 2021-22 is being set off by the unspent CSR amount due for the preceding financial years.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	2018-19	Nil	66,48,260	NA	Nil	NA	NA
2.	2019-20	Nil	1,08,77,423	NA	Nil	NA	NA
3.	2020-21	Nil	3,30,72,873	NA	Nil	NA	NA
	Total		5,05,98,556				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
1	FY31.03.2021_1	Ujjwal Bhavishya	2018-19	5 Year	20,00,000	14,60,000	76,68,850	Completed
2	FY31.03.2021_2	Community School	2019-20	3 Year	21,35,700	17,77,600	30,54,250	Completed
3	FY31.03.2021_3	Project Koshish	2016-17	5 Year	11,25,000	8,12,500	18,12,500	Completed
4	FY31.03.2021_5	Plaksha- Reimagining Higher Education (Phase I)	2019-20	5 Year	5,00,00,000	69,85,000	3,44,85,000	Ongoing
5	NA	COVID-19 Relief Activity	2019-20	3 Years	35,00,000	33,03,188	65,31,302	Completed
	Total				**5,87,60,700**	**1,43,38,288**	**5,35,51,902**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(Asset-wise details).

(a)	Date of creation or acquisition of the capital asset(s).	:	NA
(b)	Amount of CSR spent for creation or acquisition of capital asset.	:	NA
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	:	NA
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	:	NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : NA

For and on behalf of the Company

Lalit M Agarwal
Chairperson CSR Committee & MD
DIN: 00900900

Place: Gurugram
Date: May 25, 2022

ANNEXURE – C 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 FY 21-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 21-22 are as under:

Sr. No.	Name of Director, KMP & Designation	% increase/decrease in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each director/ to median remuneration of employees
1.	Mr. Aakash Moondhra, Chairman & Independent Director	131.13%	7.80
2.	Mr. Lalit M Agarwal Managing Director	14.07%	159.32
3.	Mr. Madan Gopal Agarwal, Whole-time Director	10.48%	28.56
4.	Mr. Murli Ramachandran Independent Director	105.88%	6.70
5.	Ms. Sonal Mattoo, Independent Director	104.90%	6.72
6.	Mr. Govind Shridhar Shrikhande Independent Director	106.34%	6.67
7.	Mr. Anand Agarwal, Chief Financial Officer	140.73%	213.12
8.	Ms. Megha Tandon, Company Secretary	209.64%	17.38

* Subject to ratification/ waiver of Remuneration by shareholders

3. The median remuneration of employees of the Company during the financial year 20-21 was ₹ 88,914 whereas in FY 2021-22 it is ₹ 1,10,208. Therefore in FY 21-22, there is an increase of 24 % in the median remuneration of employees.

4. Number of Permanent Employees on the rolls of Company as on March 31, 2022: 8167

5. The Average percentile increase/decrease in the salaries of the employees (other than Managerial Personnel) for FY 21-22 is 12% whereas the average percentile increase/ decrease in the managerial remuneration for FY 21-22 is 7%. 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:

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of the Annual Report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

The details of Employees who were employed throughout the FY 21-22 and were in receipt of minimum aggregate Remuneration of ₹ 1.02 Crores:

Employee Name	Designation	Educational Qualification	Nature of Employment	Experience (in years)	Age	Date of joining	Remuneration in Fiscal 2022 (in Lakhs)	% of Equity shares held by the Employee in the Company	If relative of Director, Name of such director	Previous employment and designation
Mr. Lalit M Agarwal	Managing Director	B.Com	Permanent	28	51	01/10/2003	175.63	6.46%*	NA	Vishal Retail
Mr. Rajan Sharma	President	B.Com	Permanent	29	52	08/07/16	161.31	0.02%	NA	TPG Wholesale Pvt. Ltd.
Mr. Vineet Jain	Chief Operating Officer	CA	Permanent	25	46	02/11/2020	255.22	0.03%	NA	Future Retail Ltd (CEO- North & NCR)
Mr. Anand Agarwal	Chief Financial Officer	CA and CS	Permanent	27	48	01/06/2017	235.07	0.02%	NA	HT Media Ltd.
Mr. Snehal Shah	Sr. VP - Projects and Business Development	Commerce graduate from Mumbai University, and has also earned a Certificate in Management from Crestcom, USA.	Permanent	29	51	01/04/2006	148.06	0.07%	Mr. Lalit Agarwal and Mr. madan Gopal Agarwal	Entrepreneurship

* Percentage (%) of equity shares held by Mr. Lalit M Agarwal includes in individual capacity.

The details of Employees who were employed for the part of FY 21-22 and for that part they received minimum aggregate remuneration of ₹ 8.5 Lakhs per month:

The details of Employees who were employed for that part of FY 20-21 and were in receipt of minimum aggregate Remuneration of ₹ 8.5 Lakhs per month:

Employee Name	Designation	Educational Qualification	Nature of Employment	Experience (in years)	Age	Date of joining	Remuneration in Fiscal 2021 (in Lakhs)	% of Equity shares held by the Employee in the Company	If relative of Director, Name of such director	Previous employment and designation
Nil										

The details of Employees who were employed during FY 21-22 (whether for full year or part thereof) and were drawing remuneration [i.e. either ₹ 1.02 Crores or 8.5 Lakhs 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 – D to Board Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2022

[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 -110092, India

WE REPORT THAT:

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 referred as '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.

COMPANY'S RESPONSIBILITIES

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the Company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

AUDITOR'S RESPONSIBILITIES STATEMENT

Our responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on our audit.

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.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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.

LIMITATIONS

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI).

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. received via electronic means. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the Company for certain areas which otherwise requires physical verification.

BASIS OF OPINION

We have followed the audit practices, secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases were 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. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

REPORT ON SECRETARIAL RECORDS AND COMPLIANCES MADE THEREUNDER

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained

by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022 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, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract s (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;

(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, 2018;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - **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; **Not Applicable as the Company is not a registered Registrar to an Issue or Transfer Agent during the Financial Year under review.**

(h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021; - **Not Applicable**

(i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; - **Not Applicable**

(vi) The Company has identified following laws applicable specifically to the Company and we have relied upon the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances made under following laws::

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(s) have been given to all directors to schedule the Board Meetings and Committee 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 & Committee Meetings have been 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:

During the period under review,

a. Pursuant to Regulation 31A (8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following promoters had requested the Company to re-classify them as Public Shareholders:

S. No.	Name of Persons under Promoter / Promoter Group	No. of Equity shares held (Face value of 10/- each) as on March 31, 2021	Percentage of Share-holding (%)
1.	Hemant Agarwal	43	0.00
2.	Hemant Agarwal (HUF)	1,50,266	0.76
3.	Smiti Agarwal	2,78,365	1.41

Further, in this regard the Board of Directors and Shareholders have given their approval in their meeting held on May 28, 2021 and August 25, 2021 respectively and Consequently the Company had made the application to National Stock Exchange of India and BSE Limited on September 22, 2021 and the application is pending for approval till the date of this report.

b. In the 19th Annual General Meeting held on August 25, 2021, the shareholders of the Company had accorded their approval for waiver of Recovery of excess managerial remuneration paid to Mr. Lalit M Agarwal and Mr. Madan Gopal Agarwal, Executive Directors of the Company and also give their approval for payment of remuneration in accordance to Schedule V in case of inadequate or No Profit in subsequent years by passing Special Resolution.

c. The Board of directors in their meeting held on July 21, 2021, had proposed to amend V-Mart Retail Limited Employee Stock Option Plan, 2020 by increasing the Number of Shares in ESOP Pool from 2,00,000 to 5,00,000 which requires approval of Members by way of Special Resolution, However in the 19th Annual General Meeting held on August 25, 2021 the resolution was not approved by the requisite majority and therefore the proposed amendment in the ESOP Plan was not made effective.

d. The Company has granted 21,485 options and allotted 43,311 Equity Shares to its employees under V-Mart Retail Limited Employee Stock Option Plan, 2020 & V-Mart Retail Limited Employee Stock Option Plan, 2012.

e. The Company has acquired 74 stores & assets from Arvind Lifestyle Brand Ltd ("ALBL"), under the Brand Name of "Unlimited" for Cash Consideration on "is and where as basis: vide an Asset Transfer Agreement dated July 22, 2021 and subsequent agreement dated September 1, 2021, ("Agreement"). The said transaction was effective from September 1, 2021.

f. Mr. Aakash Moondhra has been elected as the Chairman of the Company for a period of 3 years w.e.f. November 8, 2021.

For VKC & ASSOCIATES
(Company Secretaries)
Unique Code: P2018DE077000

CS Ishan Khanna
Partner
ACS No. 53517
C P No. 24258
UDIN: A053517D000338879
Peer Review Cer. No. 1955/2022

Date: May 25, 2022
Place: New Delhi

ANNEXURE – E to Board Report

FORM NO. AOC - 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1.	**Details of contracts or arrangements or transactions not at arm's length basis**	NIL
2.	**Details of material contracts or arrangement or transactions at arm's length basis**	
	Name(s) of the related party and nature of relationship	Snehal Shah, Son-in-law of Mr. Madan Gopal Agarwal (Whole Time Director)
	Nature of contracts/arrangements/transactions	Employment
	Duration of the contracts/arrangements/transactions	NA
	Salient terms of the contracts or arrangements or transactions including the value, if any	In the Normal Course of Business
	Date(s) of approval by the Board, if any:	May 24, 2018
	Amount paid as advances, if any:	NIL

For and on behalf of the Company

	Lalit M Agarwal	**Aakash Moondhra**
Place: Gurugram	Managing Director	Chairperson and Independent Director
Date: May 25, 2022	DIN: 00900900	DIN: 02654599

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

[pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Second Amendment Regulation, 2021]

SECTION A: GENERAL DISCLOSURES

I. Detail of Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L51909DL2002PLC163727
2	Name of Listed Entity	V-MART RETAIL LIMITED
3	Year of Incorporation	2002
4	Registered Office Address	610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, East Delhi, New Delhi -110092, India
5	Corporate Address	Plot No.-862, Udyog Vihar, Industrial Area, Phase-V Gurugram -122016, Haryana, India
6	E-Mail	cs@vmart.co.in
7	Telephone	+ 0124 4640030; +91-124-4640030
8	Website	www.vmartretail.com
9	Financial year for which reporting is being done	Financial Year 2021-22 (April 01, 2021 to March 31, 2022)
10	Name of the Stock Exchange(s) where shares are listed	NSE (National Stock Exchange of India Limited) and BSE (formerly Bombay Stock Exchange)
11	Paid-up Capital	₹19,74,94,540/- (Nineteen Crores Seventy-Four Lakhs Ninety-Four Thousand Five Hundred and Forty Rupees Only)
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Megha Tandon, Company Secretary and Compliance Officer E-mail: cs@vmart.co.in, Phone No.: + 0124-4640030, + 0124-4640046
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this report are on a Standalone Basis and pertains only to V-Mart Retail Limited.

II. Products/ Services

14 Details of Business Activities (accounting for 90% of the Turnover)

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Trading of Fashion Retail	Apparels	81%
		Non-Apparel	11%
2	Groceries	Retail Trading of Groceries	8%

Further details are provided in the Management Discussion and Analysis section of this Integrated Annual Report.

15 Product/Services sold by the Entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% Of total Turnover Contributed
1.	Apparel	47711	81%
2.	Non-Apparel	47711	11%
3.	FMCG	47110	8%

III. Operation

16 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Stores and Cities covered	Number of Offices	Total
National	NA*	380 locations (240 Cities)	8	388
International***		NA		

*The Company operates retail outlets and does not undertake any manufacturing activity.
*** The Company does not have any international office

17 Markets served by the Entity:

a. Number of Locations

Locations	Number
National (No. of States)	25 States*
International (No. of Countries)	N.A.

*25 States including the Union Territories

b. What is the contribution of exports as a percentage of the total turnover of the entity?
Not Applicable, as the Company is not involved in International Activities.

c. A brief on types of customers
Led by the concept of 'Value Retailing', the Company caters to the needs of the value and fashion-conscious consumers living in majorly Tier II, III & IV cities across India.

Our business model is attuned to the evolving aspirations of the rapidly expanding middle class families and young adults for affordable, high-quality fashion.

IV. Employees

18 Details at the end of the Financial Year:

a. Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
1	Permanent (D)	8,167	6,404	78%	1,763	22%
2	Other than Permanent (E)	493	338	69%	155	31%
3	Total Employees (D+E)	8,660	6,742	78%	1,918	22%
	Workers					
4	Permanent (F)					
5	Other than Permanent (G)			NA		
6	Total Employees (F+G)					

Notes: - The permanent employee includes Executive Directors & KMPs.

b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently abled Employees					
1	Permanent (D)	24	20	83%	4	17%
2	Other than Permanent (E)	8	7	88%	1	13%
3	**Total differently abled employees (D+E)**	**32**	**27**	**84%**	**5**	**16%**
	Differently abled Workers					
4	Permanent (F)					
5	Other than Permanent (G)			NA		
6	**Total differently abled workers (F+G)**					

19 Participation/Inclusion/Representation of Women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	6	1	16.66%
Key Managerial Personnel (inclusive of BODs)	4*	1	25%

*Key Management Personnel (KMP) are Managing Director (MD), Whole Time Director, Chief Financial Officer (CFO), and Company Secretary (CS).

20 Turnover rate for permanent employees and workers
(Disclose trends of the past 3 years)

	FY- 2021-22			FY- 2020-21			FY- 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	44.4%	41.2%	43.7%	41.5%	39.2%	41%	70.9%	60.4%	68.7%
Permanent Workers	NA								

V. Holding, Subsidiary, and Associate Companies (including joint ventures)

21 a. Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the Holding/ Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate Weather Holding/ Subsidiary/ Associate/ Joint Venture	No. of Shares held by Listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of Listed Entity? (Yes/ No)
-	NA	NA	NA	NA

Note: - As of 31.03.2022, the Company does not have any Holding, Subsidiary, Associate, and/or Joint Venture.

VI. CSR Details

22

(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii)	Turnover (in ₹)	₹ 1,66,618 (Lakhs)
(iii)	Net Worth (in ₹)	₹ 84,962 (Lakhs)

VII. Transparency and Disclosure Compliances

23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholders group from whom the complaint is received	Grievance Redressal Mechanism in place (Yes/ No) (If yes, then provide the web link for grievance redressal policy)	FY- 2021-22 Current Financial Year			FY-2020-21 Previous Financial Year		
		Number of Complaints filed during the Year	Number of Complaints pending resolution at the close of the year	Remarks	Number of Complaints filed during the Year	Number of Complaints pending resolution at the close of the year	Remarks
Communities	No	-	-	-	-	-	-
Investors (other than Shareholders)				NA			
Shareholders	Yes, Investor_grievance_redressal_Policy_(2)_(1).pdf (vmart.co.in); and V_mart_-_stakeholder_engagement.pdf (vmart.co.in)	Nil	Nil	No complaints received	5	Nil	The Company had resolved all the Complaints within time.
Employees	Yes, V_mart_-_stakeholder_engagement.pdf (vmart.co.in)	19	Nil	Related to Inappropriate behavior, Misconduct, and Workplace harassment.	-	-	*
Customers**	Yes, V_mart_-_stakeholder_engagement.pdf (vmart.co.in) and https://www.vmartretail.com/contact-us.html	89,362	Nil	The Company had resolved all the complaints within time.	40,573	Nil	The Company had resolved all the Complaints within time.
Value chain partners	Yes, V_mart_-_stakeholder_engagement.pdf (vmart.co.in)	Nil	Nil	No Complaint received	Nil	Nil	No Complaint received
Other (please specify)	-	-	-	-	-	-	-

*Complaints for FY-2020-21, not tracked owing to Pandemic

**Customer service-related complaints (Billing, Return and Exchange, staff service, online, coupons, and gifts vouchers). Also, in FY-2021-22, The Complaints/ Queries increased in the context of significantly enlarging the scale of online business.

24 Overview of the entity's material responsible business conduct issues—

Indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, and approach to adapt or mitigate the risk along with its financial implications as per the following format:

S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adopt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1	Employee Engagement - Changing expectations of the workforce & work environment	O	Opportunity: Facilitating best-in-class employee experience and being recognized among the best employers in our key operating regions will help us attract, hire, and retain talent. We are creating a diverse workforce to attract best-in-class talent and improve productivity.	We have amplified the reach and effectiveness of our wellness initiatives and supported our employees to navigate the pandemic seamlessly through measures such as Work from home, vaccination centers, hospital support, COVID care centers, increased insurance coverage, and more.	Positive: Improved employee experience & work-life balance yield better results
2	Community Development and CSR	O	Led by the philosophy of making a meaningful contribution to the society and the environment through long-term and sustained initiatives, over the years, the company engaged in several Environmental & Social activities with the mission to create value and make the ecosystem proud. Thus, returning to society has been ingrained in the Corporation's philosophy. Key areas of CSR activities are as follows : 1. COVID-19/ Disaster relief 2. Medical 3. Social Empowerment 4. Entrepreneurship & skill development 5. Education 6. Environment 7. Grant/ Funding	Kindly refer to the Annual Report 2021-22 –Report on Corporate Social Responsibility Activities for further details.	Positive: The Company recognises the importance of being socially responsible and playing a part in helping to uplift the less fortunate.

S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adopt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
3	Cyber & Information Security	R	Rising instances of cyber-attacks and social engineering put the Company's and the customer's data at risk. Failure to prevent, detect, and remediate security threats may lead to loss of information and pose a reputation risk.	Implemented multiple controls to ensure data security and privacy, including user awareness training programs, etc. Proactive monitoring and analysis of any new vulnerabilities and threats Contractual covenants in agreements with third parties for non-disclosure, data protection measures and procedures.	Negative: Possibility of loss of critical information may lead to loss, fines/penalties
4	People Retention, Development and Succession Planning	O & R	The Company's people are the key contributors to value creation. Recruiting qualified members to fill the relevant positions and training them adequately is key to serve the requirements of our customers and driving future growth. Loss of key & performing employees due to attrition may inhibit our ability to grow with intended goals.	We hire, retain, and upskill our employees with a focused strategy to nurture the future human resources. Multiple learning and development programs to upskill and reskill people Robust system for acquiring and retaining the right talent	Negative: Increased cost of on boarding and nurturing human capital Positive: Improves people experience that,direct impacts Company's members and customer satisfaction
5	Growing in channels of the future	O	With the advent of technology-enabled distribution models, channels have been fragmented. The accelerated growth of e-Commerce has brought about a huge opportunity to tap into these channels and drive business growth. Covid-19 has caused rapid digitisation of purchase behaviors which requires us to accelerate the development of our e-Commerce capabilities.	Covid-19 has accelerated the shift of consumers to online with the trend of e-everything becoming highly discernible. The Company is working on a rapid proliferation of technology enabled distribution models to engage key customers and consumers strategically. Several new initiatives have been piloted which include digitisation of general trade through our mobile shopping app, online website, and e-Marketplace, leveraging opportunities in Omni channel, B2C and e-Commerce.	Positive: Strategically designed and flawlessly executed Omni Channels would open up a huge opportunity to tap into the new age channels and drive business growth.
6	Innovation and Digitalization	O	Digital Transformation Opportunities arising from rapidly emerging digital technologies, analytics and big data present a chance to make meaningful interventions and develop capabilities across the value chain, redefining how we do business. The ability to keep our operations future-fit through building digital capabilities in systems, workforce, and business models will help us stay agile and respond quickly to evolving stakeholder requirements.	Pre-empting the imminent disruption, we have established a sharp digitalisation agenda in each function. These include those around our core ERP platform using Cloud, Artificial Intelligence Machine Learning, and other digital technologies. Each day we are building new capabilities in Systems, Workforce, and Business Models with a strong focus on external orientation and partnerships across large IT Companies/Industry Bodies. We have endeavored that our talent pool is digitally enabled and future-fit to ride the digital transformation wave.	Positive: Help to keep our operations future-fit and build efficiencies

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sr. No.	Core Element	Principles	Policy/ Process/ Structure
P1	Ethics & Transparency	Businesses should conduct and govern themselves with integrity in an ethical, transparent, and accountable manner.	V-Mart Ethical Policy, V-Mart Whistle Blower Policy, Code of Conduct for Director and Senior Management, V-Mart Fraud Prevention and Reporting Policy V-Mart Code of Conduct.
P2	Product Responsibility	Businesses should provide goods and services that are sustainable and safe.	Environmental, Health and Safety Policy, Policy on Sustainable Sourcing. V-Mart Code of Conduct.
P3	Human Resources	Businesses should respect and promote the well-being of all employees, including those in their value chains.	V-Mart- Environmental, Health and Safety Policy, V-Mart Human Right Policy, Prevention of Sexual Harassment Policy. V-Mart Code of Conduct.
P4	Responsiveness to the Stakeholders	Businesses should respect the interests of and be responsive to all their stakeholders.	V-Mart CSR Policy, V-mart Stakeholders Engagement, V-Mart Delivering value to Customers, V-Mart Code of Conduct.
P5	Respect for Human Rights	Businesses should respect and promote human rights	V-Mart Human Right Policy. V-Mart Code of Conduct.

Sr. No.	Core Element	Principles	Policy/ Process/ Structure
P6	Respect & Protect Environment	Businesses should respect & make efforts to protect and restore the environment.	V-Mart- Environmental, Health, and Safety Policy V-Mart Code of Conduct.
P7	Public Policy advocacy	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	V-Mart Public Influencing & Regulatory Policy. V-Mart Code of Conduct.
P8	Inclusive Growth	Businesses should promote inclusive growth and equitable development	V-Mart Stakeholders Engagements. V-Mart CSR Policy. V-Mart Code of Conduct.
P9	Customer Engagement	Businesses should engage with and provide value to their consumers in a responsible manner.	V-Mart Delivering value to Customers.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1 a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b.	Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c.	Web Link of the Policies, if available	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/ No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusts) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA

Website Links of the Policies which are covering each principle and its core elements of the NGRBCs

(a) V-Mart Ethical Policy
- http://www.vmart.co.in/nimda/product_image/invester/V_Mart_Ethics_Policy.pdf

(b) V-Mart Whistle Blower Policy
- whistleblowerpolicy1.pdf (vmart.co.in)

(c) Code of Conduct for Director and Senior Management
- Code-of-Conduct-For-Directors-And Senior-Management-Personnel-V-Mart (vmart.co.in)

(d) V-Mart- Environmental, Health, and Safety Policy
- Environmental, _Health_Safety_Policy_(1).pdf (vmart.co.in)

(e) V-Mart Human Right Policy
- Human_rights_Policy.pdf (vmart.co.in)

(f) Prevention of Sexual Harassment Policy
- http://www.vmart.co.in/nimda/product_image/invester/Prevention%20of%20Sexual%20Harassment%20Policy-1.pdf

(g) V-Mart CSR Policy
- CSR Policy.pdf (vmart.co.in)

(h) V-mart Stakeholders Engagement
- V_mart_-_stakeholder_engagement.pdf (vmart.co.in)

(i) V-Mart Delivering value to Customers
- V_mart_-_Delivering_value_to_customers.pdf (vmart.co.in)

(j) V-Mart Public Influencing & Regulatory Policy
- Public_Influencing_Regulatory_Policy.pdf (vmart.co.in)

(k) V-Mart Policy on Sustainable Sourcing
- Sustainable_Sourcing.pdf (vmart.co.in)

(l) V-Mart Policy on investor grievance redressal Policy
- Investor_grievance_redressal_Policy_(2)_(1).pdf (vmart.co.in)

Governance, leadership and oversight

7 Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):

The Company has been undertaking measures for conservation of energy & invested in initiatives towards carbon footprint reduction. We are focusing on the areas such as energy & waste management, supply chain efficiency, and product stewardship and encourage adoption of processes and practices that promote sustainability. The Company would further identify the key areas for laying out the ESG Goals of the Company and developing an ESG Structure.

We remain committed in making prudent and efficient use of natural resources to minimize the environmental impact of our business and doing business in an environmentally sustainable manner to sustain our business activity in the long term while protecting the ecosystem for future generations.

8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies):

Sr. No.	Particulars	Detail
1	DIN Number, if applicable	00900900
2	Name	Mr. Lalit M Agarwal
3	Designation	Managing Director
4	Telephone No.	0124-4640030
5	E-Mail id.	cs@vmart.co.in

9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details:

Yes, The Directors and Senior Leadership Team of the Company monitors various aspects of Social, Environmental & Governance responsibilities of the Company on a continuous basis.

The Business Responsibility performance of the Company is assessed by Corporate Social Responsibility Committee of the Board.

10 Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/ Quarterly/ any other-Please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	As a practice, the business responsibility policies of the Company are reviewed by the Board of Directors. During this assessment, the efficacy of the policies is reviewed, and necessary changes to policies and procedures are implemented.								
Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	The Legal consultant of the Company provides a Statutory Compliance Certificate on the applicable laws. Further, the same is furnished to the Board of Directors of the Company every Quarter.								

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Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carrying out an independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	The Internal Auditors, KPMG, review relevant processes and policies as per the Internal Audit plan approved by the Audit Committee. The Company is also carrying out Internal assessments through its Internal Control Team. The Team undertakes assessment/evaluation of policies at regular intervals and ensures that all the policies are in conformity with NGRBC. Further, these policies were benchmarked by 'MGC Global Risk Advisory LLP'.								

12 If answer to question (1) above is "No", i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	The policies cover all the principles.								
The entity is not at a stage where it is able to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT, AND ACCOUNTABLE.

Essential Indicators

1 Percentage coverage by training and awareness programme on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under training and their impact	% of person in respective category covered by the awareness programme
Board of Directors	Nil	-	-
Key Managerial Personnels	3	All the principles laid down in BRSR are covered by the V-Mart Code of Conduct and various other policies of the Company, which are adhered to by all the employees of the Company, including BODs and KMPs. During the period, the Company conducted various training and awareness programs to encourage the Personnel to understand the NGRBC Principles and focus on implementing them in their practice.	100%
Employees other than KMPs	3		100%
Workers	NA		

2 Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred (Yes/No)
Penalty/Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding Fee	NIL	NIL	NIL	NIL	NIL

	Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred (Yes/No)
Imprisonment	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL

No penalties/compounding fees paid by the Company which is considered material as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Policy on Materiality made thereunder by the Company/ No Material fines were paid in FY 2021-22.

3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Detail	Name of regulatory/ enforcement agency/ judicial institution
NA	NA
NA	NA

The Company has filed no appeal/revision against any of the instances disclosed in Q2 above.

4 **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.**
Yes, the V-Mart Code of Conduct and V-Mart Ethics Policy contains guidelines on anti-corruption and anti-bribery. V-Mart is committed to complying with all the laws and regulations which govern our operations in every location in which we operate. We are committed to upholding the highest moral and ethical standards and have a zero-tolerance attitude towards corruption and bribery.

Further, we provide regular communication mailers on adherence to the Code of Conduct, Anti-Corruption, Anti Bribery and gift policies. The web link of the policies disseminated on the website is as follows:

V-Mart's Ethics Policy:
(http://www.vmart.co.in/nimda/product_image/invester/V_Mart_Ethics_Policy.pdf).

5 **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
Director	NIL	NIL
KMP	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

No disciplinary action was taken against any Directors/ KMPs/ employees/ workers by any law enforcement agency for charges of bribery/corruption.

6 **Details of complaints with regard to conflict of interest:**

	FY-2021-22 Current Financial Year		FY-2020-21 Previous Financial Year	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of interest of the KMPs.	NIL	NIL	NIL	NIL

No Complaints were received in relation to the issue of Conflict of Interest of Directors/KMPs in either FY 2021 or FY 2022.

7 **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**
There were no cases of corruption or conflicts of interest which required action by regulators/ law enforcement agencies/ judicial institutions.

Leadership Indicators

1 **Awareness programme conducted for value chain partners on any of the principles during the financial year:**

Total numbers of awareness programmes held	Topic/Principle covered under the training	% of value chain partners covered (by the value of Business done with such Partner) under the awareness programme
-	The Company has planned to conduct various training and awareness programs for the betterment of its value chain partners.	-

2 **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**
Yes, every director of the Company discloses their concern or interest in any Company or Companies or bodies corporate, firms, or other association of individuals and any change therein, from time to time, which includes the shareholding, as provided in Section 184 of the Companies Act, 2013 read with Rules made thereunder.

Further, every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement entered or to be entered –

(a) With a body corporate in which such Director or such Director in association with any other Director, holds more than two percent. Shareholding of that body corporate or is a Promoter, Manager, Chief Executive Officer of that body corporate or

(b) With a firm or other entity in which such Director is a Partner, Owner, or Member discloses the nature of his concern or interest at the meeting of the board in which the contract or arrangement is discussed and does not participate in such discussions

The details of the transactions above are also entered into a register prescribed for the purpose under the Companies Act, 2013 and placed before the Board for noting.

Further, the Company has framed the different parameters to be considered while determining Conflict of Interest in its code of conduct. The process to avoid or manage the conflict of interest is placed in V-Mart's Ethic Policy as put on the Website of the Company.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1 **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year	Previous Financial Year	Details of improvements in Environmental and Social impacts
R&D	Nil	Nil	Nil
Capex	Nil	Nil	Nil

The Company is not into any manufacturing activity and doesn't incur any R&D expenditures.

2 a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**
Yes, V-Mart Retail Limited believes in providing a positive impact and reducing the negative environmental and social impact of its products and services and recognises that Product Stewardship is a key to minimizing the products' health, safety, and ecological effects. Its vision is to create value and make the ecosystem proud. The Company is committed to integrating sustainability into the entire value chain. It aims to become the leading sustainable brand and deliver sustainable products to the customers by taking an inclusive approach toward revolutionizing the value chain.

Further, to align with its vision to become a leading sustainable brand and deliver the sustainable products to its customer, the Company sources sustainable products like Denim Jeans and Knitted apparel from Value Chain Partners, who are GRS Certified and have certification of BCI, SEDEX, Organic Blended Content Standards, Zero Discharge of Hazardous Chemicals and so on.

b. **If yes, what percentage of inputs were sourced sustainably?**
1.9% of the total procurement of the identified category of the Spring Summer Season (2022) is acquired from Sustainable Sources.

3 **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) other waste.**
The Company recognises that over-consumption results in unsustainable exploitation of our planet's resources. It promotes sustainable consumption, including recycling resources and environmentally friendly disposal at the end of the lifecycle of its products.

Further, the Company endeavors to reuse its cartons and transport its products from the warehouse to its stores and vice-versa. Due to operations, a significant amount of scrap metal material is received from our stores and generated at our warehouse. We have arranged for our teams to use this scrap to create warehouse storage space, such as conveyors, racks, and tables.

To ensure more effective and safe management of the scrap, we segregate all our scrap waste and sell it to vendors who, in turn, sell it to manufacturing plants for reuse, especially for plastic and paper waste.

Cognizant of the contribution of plastic shopping bags and single-use plastics to the increasing pollution, we have eliminated their use from our stores and office environment. Not only has this reduced our plastic usage, but it has also helped us set a positive example for our stakeholders.

We have also initiated a programme to encourage our suppliers to reuse and recycle the fabric waste generated for V-Mart production through applications outside our industry or by recycling offcuts into polyester or cotton yarns.

4 **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**
Since the Company is engaged in the Retail Industry, the Extended Producer Responsibility does not apply to the Company.

Leadership Indicators

1 **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of Total Turnover Contributed	Boundary for which the Life cycle perspective/ assessment was conducted	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/ No) If yes, provide the web-link
NA	NA	NA	NA	NA	NA

The Company is not into manufacturing. Hence no LCA was conducted. However, the Company is conscious of the limited carbon footprint that it may be creating by virtue of using electricity and air conditioners at its stores and working on various initiatives.

2 **If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product/ Service	Description of Risk/concern	Action Taken
Electricity use	Carbon emissions	Implementation of IOT and HVAC efficiency, Solar panels, etc.
Fuel Consumption	Carbon emissions	Expanding the use of CNG Vehicles, promoting public transport vehicles, Car or vehicle pooling by the employees.
Scrap Disposal	Landfill of wastes	Scrap is being sold/recycled
Scrap Metal	Landfill of wastes	Scrap is being sold/recycled
Plastic Shopping bags	Air Pollution and Soil Pollution	Completely eliminated and started using paper bags.

3 **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input Material	Recycled or reused input material to total material	
	FY-2021-22 Current Financial Year	FY-20202-21 Previous Financial Year
-	-	-

The Company is in the retail business and trading of goods; there is no hazardous waste generation and minimal scrap waste which is 100 % recyclable.

4 **Of the products and packaging reclaimed at the end of life of products, the amount (in metric tons) reused, recycled, and safely disposed of, as per the following format:**

	FY-2021-22 Current Financial Year			FY-20202-21 Previous Financial Year		
	Re-used	Re-cycled	Safely Disposal	Re-used	Re-cycled	Safely Disposal
Plastic (including packaging)	NA	291 MT	-	NA	143 MT	-
E-Waste	NA	NA	-	NA	NA	-
Hazardous Waste	NA	NA	NA	NA	1218 MT	NA
Other Waste #Cartons	851 MT	2274 MT	-	NA	NA	-

Safety disposal of the waste will be tracked going forward.

We were re-using the shipping cartons at the company level, 61% cartons re-used at the company level.

5 **Reclaimed products and their packaging materials (as a percentage of products sold) for each product category.**

Indicate the Product Category	Reclaimed products and their packaging material as % of total products sold by respective category
-	-
-	-

Refer to Principle 2 Q3 of Essential Indicators (The Company engages with agencies who recycle scrap material and evaluate evolving technology to recycle materials on an ongoing basis.)

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1 a **Details of measures for the well-being of employees:**

Category	Total (A)	% of Employees Covered									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Daycare Facilities	
		Number (B)	% (B/A)	Number (c)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	6,404	6,404	100%	6,404	100%	-	-	2,054	31%	-	-
Female	1,763	1,763	100%	1,763	100%	346	20%	-	-	-	-
Total	**8,167**	**8,167**	**100%**	**8,167**	**100%**	**346**	**4%**	**2,054**	**25%**	**-**	**-**
Other than Permanent Employees											
Male	338	-	-	-	-	-	-	-	-	-	-
Female	155	-	-	-	-	-	-	-	-	-	-
Total	**493**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes:

1. The Company provides work from home facility to its employees as a Paternity Benefit.
2. The Company does not provide any insurance to other than permanent Employees.
3. All the Permanent employees of the Company are insured either in Medical Insurance Policy or under ESIC

b Details of measures for the well-being of workers:

Category	Total (A)	% of Workers Covered									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Daycare Facilities	
		Number (B)	% (B/A)	Number (c)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other than Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Not Applicable because of no manufacturing facility.

2 Details of retirement benefits for Current FY and Previous Financial Year.

Benefits	FY-2021-22 Current Financial Year			FY-20020-21 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	-	Y	100%	-	Y
Gratuity	100%	-	Y	100%	-	Y
ESI	90%	-	Y	94%	-	Y
Others-please specify	-	-	-	-	-	-

3 Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, some of our premises/offices and stores are accessible to differently abled employees and workers. Stores located in malls have elevators and infrastructure for differently abled individuals. V-Mart is intended to empower the employee's/workers with disabilities and enhance their engagement with the organization. It also provides the necessary safeguards to differently abled employees in the form of the amenities and facilities at the workplace, defines roles and tasks designated explicitly for them, and provisions assistive devices and grievance redressal mechanisms.

The Equal opportunity policy is consistently applied throughout the employment of the individual, from the recruitment process to superannuation.

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company has in place a Code of Conduct for the workplace culture, which talks about equal opportunities in the following manner: -

- The Company believes in equal opportunity for all its employees.
- The Company strictly follows no discrimination on any ground, including caste, religion, marital status, gender, sexual orientation, age, disability, or any other category protected by applicable law.
- When recruiting, coaching, and promoting employees, decisions should be based solely on performance, merit, competence, and potential.

The web link for the same is:
http://www.vmart.co.in/nimda/product_image/invester/V_Mart_Ethics_Policy.pdf

5 Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	-	-	-	-
Female	86%	43%	-	-
Total	**-**	**-**	**-**	**-**

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (if yes, give detail of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	
Permanent Employees	Yes, details of the mechanism are given below
Other than Permanent Employees	

The Company has established an Ethics Committee, which is responsible for aligning workplace practices with the Code of Conduct. Employees may register their grievances anonymously or otherwise by getting in touch with Ethics Committee members or through mail at speakup@vmart.co.in.

7 Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY-2021-22 Current Financial Year			FY-2020-21 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)
Total Permanent Employees	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total Permanent Workers	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

The Company doesn't have any employees/workers associations. However, we are always open to Workers' and Employees' rights to Freedom of association and collective negotiation as and when required.

8 Details of training given to employees and workers:

Category	FY-2021-22 Current Financial Year					FY-20202-21 Previous Financial Year				
	Total (A)	On Health & Safety measures		On Skill Upgradation		Total (D)	Details of training given to employees and workers		Details of training given to employees and workers	
		No. (B)	% (B/A)	No. (c)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	6,742	6,742	100%	6,404	95%	-	-	-	-	-
Female	1,918	1,918	100%	1,763	92%	-	-	-	-	
Total	**8,660**	**8,660**	**100%**	**8,167**	**94%**	**-**	**-**	**-**	**-**	**-**
Workers										
Male										
Female					NA					
Total										

9 Details of performance and career development reviews of employees and workers:

Category	FY-2021-22 Current Financial Year			FY-20202-21 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	6,742	5,194	77%	5,598	4,610	82%
Female	1,918	1,479	77%	1,600	1,328	83%
Total	**8,660**	**6,673**	**77%**	**7,198**	**5,938**	**82%**
Workers						
Male			NA			
Female						
Total						

10 Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?**
V-Mart is in the business of retail trading; due to its nature of work, no critical occupational health and safety risks are involved. The Company has a well-defined policy supporting processes to ensure the safety and wellbeing of its employees. Safety lead and lag indicators are measured by the Admin Team in support of the Internal control team and reported to the management on a case-to-case basis.

During the financial year, the Company has conducted various training and awareness programmes on a PAN India basis on basic and advanced fire safety, including evacuation and mock drills.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**
Admin Team, in support with the Internal control team of the company, has provided a structured approach throughout the organization to identify work-related hazards and assess risk with limited purview.

Fire mock drills are conducted regularly to ensure that all the employees are aware on how to evacuate themselves. Further, Routine Store audits and Mystery audits are conducted to assess the work-related hazards at stores.

c **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**
Not Applicable, because of no manufacturing facility.

d. **Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**
All the employees have access to non-occupational medical and healthcare services. Further, the Company has tie-ups with a leading Medical Pan-India online network, which provides free virtual consultation and medical tests & medicines at a discount to all the employees of the Company.

11 Details of safety-related incidents, in the following format:

Safety Incidents/Numbers	Category	FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hour worked)	Employee	Nil	Nil
	Worker	NA	NA
Total recordable work-related injuries	Employee	Nil	Nil
	Worker	NA	NA
No. of Fatalities	Employee	Nil	Nil
	Worker	NA	NA
High consequences of work-related injury or ill-health (excluding fatalities)	Employee	Nil	Nil
	Worker	NA	NA

There were no lost time injuries and fatalities during the periods mentioned above.

12 **Describe the measures taken by the entity to ensure a safe and healthy workplace.**
V-Mart recognises that the health & safety and overall physical & mental well-being of its employees is an integral part of its success and growth aspirations which is spelt out in the Environment, Health & Safety Policy. V-Mart is committed in providing a safe workplace, focusing on preventing injuries and illness and continuously striving to eliminate hazards and reduce risk.

The Company has provided the mitigation measures to prevent or mitigate significant occupational health & safety impacts, including,

- Arranging/providing medical assistance for personnel
- Availability of First Aid Boxes in every store/premises of the Company.
- Provision and maintenance of fire detection, alarm, and suppression systems.
- Regular mock drills for fire as well as medical emergencies.
- Employee engagement campaigns on health & safety topics such as fire safety, road safety, and emergency evacuation.
- Training employees & contractors on workplace hazards, associated risks, and arrangements to mitigate them.

13 Number of Complaints on the following made by employees and workers:

	FY-2021-22 Current Financial Year			FY-2020-21 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	-	-	-	-	-	-
Health and Safety	-	-	-	-	-	-

Note: No complaints received regarding working conditions and Health and Safety, and kindly refer to Grievance Mechanism details mentioned

14 Assessments for the year:

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Health & Safety Practices	NA*
Working Conditions	NA#

*Though we are not into the manufacturing business, 100 % of locations are reviewed periodically for process gaps.
#Though we are not a manufacturing business, we are complying with the general laws & regulations pertaining to the working conditions.

15 **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.**

- V-Mart has imparted comprehensive training to Retail Store Staff, Managerial and leadership staff in areas of functional expertise, leadership, and safety norms to maintain business continuity.
- The Company has placed SOPs at the retail outlets to ensure the safety of the employee and customers.

Leadership Indicators

1 **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N) ?**
Yes, the employees are covered under ESI, Group Life Insurance, or Ex-gratia Staff Benevolent Fund.

2 **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**
The Company's financial processes/systems are designed to release payments to third-party manpower service providers, like the Security & Housekeeping agencies, only after the proof of payments/dues of deposition with the ESIC, PF authorities are provided on a month-on-month basis for their staff deployed at your Company's location.

The Company also encourage its value chain partners to make the payment of statutory dues and regularly validate GST credit & TDS deducted by value chain partners.

3 **Provide the number of employees/workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total No. of affected employees and workers		No. of employees and workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year	FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
Employees	-	-	-	-
Workers	-	-	-	-

No incidents were reported during F.Y. 2021-22 & 2020-21 related to employees/ workers suffering high consequence work-related injuries/ ill health/ fatalities.

4 **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**
Skilling upgradation of all employees remains a continuous activity during the employee's lifecycle with the company, which helps in getting employment opportunities even after separation from the Company.

5 **Details on assessment of value chain partners:**

	% of value chain partners (by the value of Business done with such partners) that were assessed
Health & Safety Practices	NA
Working Conditions	NA

While the company requires its value chain partners to comply with the Supplier conduct principles, the Company will formulate the methodology for assessing the value chain partners.

6 **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**
The company requires its value chain partners to comply with the Supplier conduct principles and will formulate the methodology to assess compliance with Health and Safety practices and working conditions of the value chain partners.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1 **Describe the processes for identifying key stakeholder groups of the entity.**
The Company assesses and categorizes the relevant stakeholders on the fundamentals of inclusivity, materiality, responsiveness, impact, interests, expertise on material issues, level of influence, integrity, willingness, and expectations. Our stakeholder groups are directly or indirectly impacted by the company or can affect the value creation in the short, medium, or long term.

The Company has identified its stakeholders and ensures periodic and effective communication with them. Key categories of internal and external stakeholders comprise customers, vendors and suppliers, employees, shareholders, investors, government and regulatory authorities and communities at large.

The Company has well-established, adequate grievance redressal systems for customers, employees, and shareholders. The Company takes special initiatives to engage with the marginalized stakeholders, as part of the Company's CSR initiatives.

2 **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of Communication (E-Mail, SMS, Newspaper, Pamphlets, Advertisements, Community meetings, Notice Board, Website, Others)	Frequency of engagement (Annually/ Half Yearly/ Quarterly/Others-please specify)
EMPLOYEES	No	Meetings, E-mail, People Strong mobile app	**Continuous:** V-Mart website; Grievance redressal, Corporate Corner, Notice Board
SHAREHOLDERS	No	Meetings, Notices, Annual Reports, E-mail	**Quarterly:** Financial Statements, Press Release, exchange notifications, **Continuous:** Investors page on the website of the Company **Annually:** Annual General Meeting; Annual Report
INVESTORS	No	Meetings, Notices, Annual Reports, E-mail	**Continuous:** Investors page on the website of the Company, Conference calls
CUSTOMERS	No	E-mail, SMS, Website, Whatsapp, Social media, Advertisement, Call Center, feedback form, QR Code	**Continuous:** V-Mart website; social media (LinkedIn, Twitter, Facebook) **Quarterly:** Customer satisfaction survey
COMMUNITIES	Yes	E-mail, SMS, Website, social media, Advertisements	**As needed:** Transactional meetings; periodic reviews; surveys.
VENDORS	No	Meetings, E-mail, Phone, Whatsapp, Portal	Regular Basis
REGULATORS	No	Meetings, E-mail	**As needed:** Conferences; summits
GOVERNMENT AGENCIES	No	Meetings, E-mail	**Continuous:** V-Mart Website and Statutory Submissions
MEDIA	No	Interviews, Press Release, E-mail	**Continuous:** V-Mart Website
EMPLOYEES	No	Meetings, E-mail	**Continuous:** V-Mart website; Grievance redressal, Corporate Corner, Notice Board

STAKEHOLDER GROUP	PURPOSE OF ENGAGEMENT
EMPLOYEES	• To provide staff with strategic direction and keep them informed about Company activities. • To ensure that we remain an employer of choice that provides a safe, positive, and inspiring working environment. • To understand and respond to the needs and concerns of staff members. • Career Management and Growth Prospects.
SHAREHOLDERS	• To provide current and future stakeholders with relevant information. • To manage shareholder expectations and reputational risk. • To maintain strong relationships, keep abreast of market developments and inform our shareholder targeting strategy. • To ensure good governance and deepen the trust placed in us and our brand
INVESTORS	• To provide current and future stakeholders with relevant information. • To manage shareholder expectations and reputational risk. • To maintain strong relationships, keep abreast of market developments and inform our shareholder targeting strategy. • To ensure good governance and deepen the trust placed in us and our brand
CUSTOMERS	• To understand the client, industry, and business challenges. • To identify the opportunities to improve V-Mart Services and Products. • Deciding on investments and capabilities required to fulfil demand. • To enhance their livelihood.
COMMUNITIES	• To identify the opportunities to improve V-Mart Services and Products. • To provide appropriate advice, proactive financial solutions, and value-adding services. • To ensure that the Company maintains high service levels that they expect and deserve. • To enhance their livelihood.
VENDORS	• For the performance of contracts and agreements. • To obtain suggestions/feedback for the improvisation of their services which leads to the Company's growth. • To maintain an ideal and timeous supply of goods and services for operations. • To encourage responsible practices across our supply chain, local procurement, supplier conduct, and environmental considerations.
REGULATORS	• To maintain open, honest, and transparent relationships and ensure compliance with all legal and regulatory requirements. • To retain our various operating licenses and minimize operational risk
GOVERNMENT AGENCIES	• To build and strengthen relationships with the government as a partner in the country's development and as a critical client. • To provide input into legislative development processes that will affect the economy and our activities and operations. • To continue learning through interaction with the industry and cross-sectorial organizations • To use business associations as a forum through which we can promote our viewpoints on crucial industry issues. • To influence and promote common agendas
MEDIA	• To leverage the reach and influence of media channels to share our business and citizenship story with stakeholders. • To communicate with relevant stakeholders and the broader public to positively influence behavior that will lead to desired business results. • To protect and manage our reputation.

Leadership Indicators

1 **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**
The Company respects the interest of and is responsive to all stakeholders. The Company maintains regular and authentic communication with them via its website and has a well established, adequate grievance redressal system for stakeholders.

The Company has always maintained transparency between stakeholders and the Board on the feedback received from the stakeholders on economic and social topics. The senior management team informs the BOD in quarterly meetings of the feedback received from various stakeholders and the proposed and planned initiatives to be considered by your Company

External Stakeholders – We use various media to communicate with external stakeholders. These include face-to-face meetings and events and sharing marketing materials such as brochures. We operate a proactive communications programme with the media and ensure we provide timely, accurate information about our achievements, performance and successes on our websites and social media channels.

Internal Stakeholders – We communicate with our colleagues through informal and formal communication channels, ensuring the mechanisms are in place to promote open and active dialogue between colleagues. These communication channels include intranet sites, official mobile apps, staff notices and townhall to ensure colleagues understand Company's aims and objectives and know where they fit in to help achieve these. This also provides a mechanism for knowledge exchange throughout the Company.

2 **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**
The Company seeks opinions from its stakeholders and overhauls its policies when required. Further, the Company perceives that it is still in the 'learning phase' on various evolving aspects of ESG and considers the stakeholder interactions essential.

3 **Provide details of instances of engagement with and actions taken to address the concerns of vulnerable/ marginalized stakeholder groups.**
The Company has taken various initiatives in its CSR activities to address the concerns of the vulnerable and marginalized segment of society.

- Ujjwal Bhavishya Scholarship - Scholarship awarded to school children belonging to the household income below INR Two Lacs per annum.
- Plaksha University - Scholarships and other support for higher education
- Ekal Vidyalaya - Education for children in rural/ tribal areas and livelihood opportunity to village youths by providing them teaching opportunity
- Covid 19 Relief Initiatives
- Community Initiatives
- Koshish - Sports training for talented children who are financially less privileged.
- Community Free School - Education and nutritious food to the street and rural children

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY-2021-22 Current Financial Year			FY-2020-21 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	8,167	3,400	42%	-	-	-
Other than Permanent	493	470	95%	-	-	-
Total Employees	8,660	3,870	45%	-	-	-
Workers						
Permanent						
Other than Permanent			NA			
Total Workers						

**All the new Joiners are being trained on Human Rights Issues and Policies as part of their induction program.
**Due to lockdown (COVID-19), employee training was not tracked in the last FY.

2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY-2021-22 Current Financial Year					FY-2020-21 Previous Financial Year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	6,404	3,183	50%	3,221	50%	5,262	2,162	41%	3,100	59%
Female	1,763	1,031	58%	732	42%	1,496	659	44%	837	56%
Other than Permanent										
Male	338	323	96%	15	4%	336	297	88%	39	12%
Female	155	145	93%	10	7%	104	87	84%	17	16%
Workers										
Permanent										
Male				NA						
Female										
Other than Permanent										
Male				NA						
Female										

3 Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	5	₹ 8.6 Lakhs	1	₹ 7.4 Lakhs
KMPs	3	₹ 175.7 Lakhs	1	₹ 19.2 Lakhs
Employees other than BODs and KMPs	6,739	₹ 1.1 Lakhs	1,917	₹ 1.1 Lakhs
Workers		NA		

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Human Resources Department oversees the human resource function and is responsible for the administration, monitoring, and updating of the policy.

The Head of the HR department is responsible for addressing any human rights issues caused or contributed by the business.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company, regards respect for human rights as one of its fundamental and core values and strives to support, protect, and promote human rights to ensure that fair and ethical business and employment practices are followed. Further, the Company is committed to preventing any human rights violation and ensuring the enforcement of our human rights policy such as the prevention of Child labour and empowering women. All stakeholders (Internal/External) have 24*7 access to raise their grievances and report anonymously any breach with respect to the Human Rights Policy or whistleblower matters at vigilance.officer@vmartretail.com. In case of ambiguity, the employee can raise their concerns to speakup@vmart.co.in also.

6 Number of Complaints on the following made by employees and workers:

	FY-2021-22 Current Financial Year			FY-2020-21 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	2	Nil	Complaints resolved	-	-	-
Discrimination at Workplace	-	-	-	-	-	
Child Labor	-	-	-	-	-	
Forced Labor/ Involuntary Labor	-	-	-	-	-	
Wages	-	-	-	-	-	
Other Human rights related issues	17	Nil	Complaints resolved	-	-	

7 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Our whistle-blower policy has laid the guidelines to prevent retaliation against a complainant. A complainant has the right to complete anonymity unless required by law enforcement agencies.

The organization prohibits retaliation against a complainant, such as job loss, punitive work assignments, threats of physical harm, or impact on salary or wages. A complainant feeling retaliated against may file a written complaint with the chairman of the Audit Committee.

Independent Internal Committee (IC) drawn for cross-functional leadership pool, take independent decisions and actions as per the Sexual Harassment at workplace Act, 2013.

8 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the Company has sound policies and effective procedures to monitor and manage human rights concerns. We are progressively looking to encourage our suppliers and vendors to establish sustainable practices in their value chain. We have included human rights clauses in our business agreement with the vendors.

9 **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labor	The Company complies with all the applicable laws, and assessed 100% of stores, offices and workplaces.
Forced Labor/ Involuntary Labor	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Other-specify	

10 **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**
We needed to increase the awareness about the laws regarding the workers, contractors, and subcontractors among value chain partners. In FY 2023, we intend to roll out awareness sessions for suppliers on relevant topics.

Leadership Indicator

1 **Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

(a) The Company adheres to the human rights principles and complies with applicable laws, regulations, policies & procedures.

(b) The Company respects and promotes human rights in accordance with the Guiding Principles on business and human rights.

(c) The Company periodically reviews its business processes to identify any issues which may give rise to the human rights grievance.

No specific business process can be identified as being modified/influenced as a result of addressing human rights grievances.

2 **Details of the scope and coverage of any Human rights due diligence conducted.**
The Company conducts due diligence through internal assessments. Further, the company had achieved certification from 'Great Place to Work', which included a multi-dimensional review of People practices and taking independent employee feedback on the related aspects.

3 **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**
Yes, some of the stores and offices have made accessible for the differently abled visitors.

4 **Details on assessment of value chain partners:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	No assessment was conducted. However, the Sexual Harassment Policy of your Company extends to the brand staff stationed at your Company's store.
Forced Labor/ Involuntary Labor	The vendors are contractually bound to comply with the aforesaid requirement. Further, your Company conducts periodic checks in respect of the brand staff to ensure compliance.
Child Labor	
Discrimination at Workplace	
Wages	
Other-specify	

5 **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**
Not Applicable.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1 **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
Total Electricity Consumption (A)	3,71,64,486.4 (kwh)/ 1,33,792.2 GJ	2,25,95,043.4 (kwh)/ 81,342.2 GJ
Total Fuel Consumption (B)	11,57,735.7 (Liters)/ 39,594.6 GJ	8,44,771.1 (Liters)/ 28,891.2 GJ
Energy Consumption through other sources (C)	NA	NA
Total Energy Consumption (A+B+C)	1,73,386.7 GJ	1,10,233.3 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupee)	1.05 GJ/Lakh (₹)	7.56 GJ/Lakhs (₹).
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by the external agency? (Y/N). If yes, the name of the external agency.

The Company has not undergone any assessment/evaluation/assured by any external agency.

2 **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**
Not Applicable, as we do not fall under the ambit of the PAT Scheme of the Government of India.

3 **Provide details of the following disclosures related to water in the following format:**

Parameter	FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
Water withdrawal by source (in kiloliters)		
(i) Surface water	Nil	Nil
(ii) Groundwater	4,551.89 (KL)	5,010.43 (KL)
(iii) Third-party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	4,551.89 (KL)	5,010.43 (KL)
The total volume of water consumption (in kiloliters)	4,551.89 (KL)	5,010.43 (KL)
Water intensity per rupee of turnover (Water consumed / turnover)	0.0273 KL/Lakhs ₹	0.0301 KL/Lakhs ₹
Water intensity (optional) – the relevant metric may be selected by the entity.	NA	NA

The Company has utilized Supply/Groundwater to fulfill their requirements, and its usage is primarily restricted to human consumption only. The Company has been continuously trying to use water prudently in its offices and stores. There is no withdrawal or consumption of surface water, third-party water, sea water or other water sources.

The data mentioned above is based on estimated water consumption by an individual in a day.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by the external agency? (Y/N). If yes, the name of the external agency.

The Company has not undergone any assessment/evaluation/assured by any external agency.

4 **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**
The company is not in the business of manufacturing products. Moreover, It is impractical to introduce STPs at retail outlets. Notwithstanding, we intend to introduce STP in large projects, if any in future, to limit fluid release and optimize the water utilization through conservation, sewage treatment and reuse.

5 **Please provide details of air emissions (other than GHG emissions) by the entity in the following format:**

Parameter	Please specify Units	FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
NOx	Tones	231	-
Sox	Tones	390	-
Particulate Matter (PM)	Tones	16	-
Persistent Organic Pollutants (POP)	-	-	-
Volatile Organic Compound (VOC)	-	-	-
Hazardous Air Pollutants (HAP)	-	-	-
Others- Please Specify*	Tones	402	-

*Carbon and its compounds: - Methane, Carbon Dioxide, Carbon Monoxide, etc.

Since the Company is not into the manufacturing business and air emissions are only on account of the usage of Generator Set as power backups at stores, offices and warehouses. The air emissions are reported as per best estimates.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by the external agency? (Y/N). If yes, the name of the external agency.

The Company has not undergone any assessment/evaluation/assured by any external agency.

6 **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format:**

Parameter	Units	FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	402MT*	-
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	-	-
Total Scope 1 and Scope 2 emissions per rupee of turnover	–	0.0024126 MT/ Lakhs (₹)	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

*We have this consolidated figure for CO2 Equivalent; we don't have a breakup into other gasses like CH4, N2O etc.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by the external agency? (Y/N). If yes, the name of the external agency.

The Company has not undergone any assessment/evaluation/assured by any external agency.

7 **Does the entity have any project related to reducing GreenHouse Gas emissions? If yes, then provide details.**
At present, we have no such project. Nonetheless, at our impending warehouse, we are planning to install a solar power plant of 1000 KVA limit at their stores and work on the projects like installing motion sensors to reduce power utilization.

8 **Provide details related to waste management by the entity in the following format:**

Parameter	FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
Total Waste Generated (in metric tons)		
Plastic Waste (A)	291	143
E-Waste (B)	NA	NA
Bio-medical Waste (C)	NA	NA
Construction and Demolition waste (D)	NA	NA
Battery Waste (E)	NA	NA
Radioactive Waste (F)	NA	NA
Other Hazardous Waste, please specify, if any (G)	NA	NA
Other Non-Hazardous Waste generated (H), Please specify if any. (Break up by composition, i.e., by material relevant to the sector)	2365 (Carton, Bag, Hanger etc.)	1292 (Carton, Bag, Hanger etc.)
Total (A+B+C+D+E+F+G+H)	**2656**	**1435**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of Waste		
(i) Recycled	2656	1435
(ii) Reused	NA	NA
(iii) Other recovery operations	NA	NA
Total	**2656**	**1435**
For each category of waste generated, total waste disposed of by nature of disposal method (in metric tons)		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other Disposal Operations	NA	NA
Total	**NA**	**NA**

The Company is not into manufacturing business & does not manufacture products, aforesaid laws are not directly applicable. However, at the store level & Warehouse level, the company is compliant with all the applicable environmental laws for waste disposal.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by the external agency? (Y/N). If yes, the name of the external agency.

The Company has not undergone any assessment/evaluation/assured by any external agency.

9 **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**
The Company has been following waste management practices and focuses on waste prevention, reduction, reuse, removal, and disposal of waste. The Company is on the path of avoiding/ minimizing the generation of waste material as far as practicable. The Company is visually inspecting all waste storage collection and storage areas for evidence of accidental releases and verifying that the waste is appropriately labeled and disposed of. The Company is in the retail business and procuring readymade garments from its vendors/value chain partners. So, there is no usage of hazardous and toxic chemicals in products.

10 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

Sr. No.	Location of Operations/ Offices	Type of Operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action is taken, if any.
-	-	-	-

Not Applicable.

11 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year:

Name and brief detail of the project	EIA Notification No.	Date	Whether conducted by an Independent external agency (Yes/ No)	Results communicated in Public Domain	Relevant Web Link
-	-	-	-	-	-

Not Applicable, as the entity has undertaken no such project.

12 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N)? If not, provide details of all such non-compliances in the following format:

Sr. No.	Specify the law/ regulation/ guideline which was not complied with	Provide detail of non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control board or by courts	Corrective actions are taken, if any.
-	-	-	-	-

Not Applicable

Yes, the Company complies with the applicable environmental regulations for waste disposal.

Leadership Indicators

1 Provide a break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources in the following format:

Parameter	FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
From renewable sources		
Total Electricity Consumption (A)	NA	NA
Total Fuel Consumption (B)	NA	NA
Energy Consumption through other Sources (C)	NA	NA
Total energy consumed from renewable sources (A+B+C)	NA	NA
From non-renewable Source		
Total Electricity Consumption (D)	3,71,64,486.4 (kwh)/ 1,33,792.2 GJ	2,25,95,043.4 (kwh)/ 81,342.2 GJ
Total Fuel Consumption (E)	11,57,735.7 (Liters)/ 39,594.6 GJ	8,44,771.1(Liters)/ 28,891.2 GJ
Energy Consumption through other Sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	1,73,386.7 GJ	1,10,233.3 GJ

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by the external agency? (Y/N). If yes, the name of the external agency.

The Company has not undergone any assessment/evaluation/assured by any external agency.

2 Provide the following details related to water discharged:

Parameter		FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
Water discharge by destination and level of treatment (in kiloliters)			
(i)	To surface Water	NA	NA
	- No Treatment	-	-
	- With Treatment-please, specify the level of treatment	-	-
(ii)	To Groundwater	NA	NA
	- No Treatment	-	-
	- With Treatment-please, specify the level of treatment	-	-
(iii)	To Seawater	NA	NA
	- No Treatment	-	-
	- With Treatment-please, specify the level of treatment	-	-
(iv)	Sent to Third Party	NA	NA
	- No Treatment	-	-
	- With Treatment-please, specify the level of treatment	-	-
(v)	Others	NA	NA
	- No Treatment	-	-
	- With Treatment-please, specify the level of treatment	-	-
Total Water discharge (in Kiloliters)		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by the external agency? (Y/N). If yes, the name of the external agency.

The Company has not undergone any assessment/evaluation/assured by any external agency.

3 **Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):**
For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
Water Withdrawal by Source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third -party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters)	-	-
Total volume of water consumption (in kiloliters)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional)– the relevant metric may be selected by the entity	-	-

Parameter		FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
Water discharge by destination and level of treatment (in kiloliters)			
(i)	Into Surface Water	NA	NA
	- No Treatment	-	-
	- With Treatment-specify the level of Treatment	-	-
(ii)	Into Ground water	NA	NA
	- No Treatment	-	-
	- With Treatment-specify the level of Treatment	-	-
(iii)	Into Sea water	NA	NA
	- No Treatment	-	-
	- With Treatment-specify the level of Treatment	-	-
(iv)	Sent to Third Parties	NA	NA
	- No Treatment	-	-
	- With Treatment-specify the level of Treatment	-	-
(v)	Others	NA	NA
	- No Treatment	-	-
	- With Treatment-specify the level of Treatment	-	-
Total Water Discharge (in Kiloliters)		**-**	**-**

Note: Indicate, if any independent assessment/ evaluation/assurance has been carried out by the external agency? (Y/N). If yes, the name of the external agency.

The Company has not undergone any assessment/evaluation/assured by any external agency.

4 Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Units	FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	NA	NA	NA
Total Scope 3 emissions per rupee of turnover	NA	NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

The Company is actively tracking the scope-1 emissions.

Note: Indicate, if any independent assessment/ evaluation/assurance has been carried out by the external agency? (Y/N). If yes, the name of the external agency.

The Company has not undergone any assessment/evaluation/assured by any external agency.

5 With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of the significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable, as provided in Question 10 of Essential Indicators above.

6 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiatives undertaken	Details of Initiatives (Web link, if any, may be provided along with Summary)	Outcomes of Initiatives
1.	Energy Efficient	Solar rooftop planned for an upcoming warehouse for electricity generation	This helps in the reduction of carbon footprints and cost savings.
2.	Waste Recycling	Recycled, Revamped & Reused store fixtures and lighting from closed down store to another store Used environmentally friendly alternatives wherever possible in line with best-in-class store planning and maintenance practices	Reduced waste which resulted in economizing of costs to a large extent

7 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has a BCP plan, which covers People, Facilities and Critical IT related infrastructure across organizations. There are DR sites to ensure business continuity. These are periodically tested, and outcomes are reviewed for appropriate action.

8 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

The Company is engaged in retailing fashion garments. This cycle assesses ecological effect in phases of design, manufacture (through external vendors), inventory management, and disposal. The Company expects to accomplish insignificant ecological results at each stage to ensure a sustainable product life cycle.

9 Percentage of value chain partners (by the value of business done with such partners) that were assessed for environmental impacts.

None

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1 a Number of affiliations with trade and industry chambers/ associations.

The Company is a member of 2 (Two) Associations

b List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

Sr. No.	Name of trade and industry chamber/ associations	Reach of trade and industry Chambers/ associations (State/ National)
1.	Retailers Association of India (RAI)	National
2.	Confederation of Indian Industry (CII)	National

2 Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the Case	Corrective Action Taken
-	-	-
-	-	-

Not Applicable, as regulatory authorities have not passed any adverse orders against the Company.

Leadership Indicators

1 Details of public policy positions advocated by the entity:

Sr. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in Public Domain	Frequency of Review by Board (Annually/ Half Yearly/ Quarterly/ Others-please specify)	Web Link, if available
1	RETAILERS ASSOCIATION OF INDIA (RAI)	Active participation in various seminars, conferences and other forums on issues and policy matters that impact the interest of its stakeholders	Yes	Whenever Conducted by the associations	-
2	CONFEDERATION OF INDIAN INDUSTRIES (CII)	Active participation in various seminars, conferences and other forums on issues and policy matters that impact the interest of its stakeholders	Yes	Whenever Conducted by the associations	-

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and Brief detail of the Project	SIA Notification No.	Date of Notification	Whether conducted by Independent External Agency (Yes/No)	Results communicated in Public Domain	Relevant Web link
-	-	-	-	-	-

Not Applicable, since the Company has not undertaken any such project which requires Social Impact Assessment.

2 Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Projects Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (in INR)
-	-	-	-	-	-	-

Not Applicable, as there is no ongoing project wherein Rehabilitation and Resettlement (R&R) is being undertaken.

3 Describe the mechanisms to receive and redress grievances of the community.

V-Mart has multiple modes of communication where a community can raise their concerns and present their needs and requirements and address their concerns through respective grievance redressal mechanisms of the Company.

Any person can approach V-Mart to register any concerns and register any complaint by way of the following means:

- By phone on Customer Care
- By Email- (customercare@vmart.co.in & speakup@vmart.co.in), Channels under Whistle Blower Policy
- By social media- (fb/vmartretail.com, Twitter/vmartretail.com)
- By Feedback Form (Available at stores)

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY-2021-22 Current Financial Year	FY-2020-21 Previous Financial Year
Directly sourced from MSME/ Small producers	-	-
Sourced directly from within the district and neighbouring Districts	-	-

Not Applicable, as the company does not carry out any manufacturing activity. It buys readymade products from the vendors.

Leadership Indicators

1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Detail of negative social impact identified	Corrective Action Taken
-	-

Not Applicable, since the Company has not undertaken any Social Impact Assessment.

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount Spent (in INR)
1.	Odisha	Dhenkanal	6.42 Lakhs
2	West Bengal	Nadia	

3 a Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

The Company believes in working together and growing together.

Our Company operates in the Fashion centric industry where we strive to provide equal opportunities to vendors irrespective of any caste, creed, gender, or size of vendor, who is capable to cater the needs of the Fashion oriented market. V-mart assists the small vendors who are deprived of business platforms and provides them opportunities to demonstrate their products at our stores and business premises.

The Company regularly takes initiatives to promote suppliers comprising marginalized/vulnerable groups by procuring finished products from them or allowing them to display their products at our stores or office premises.

b From which marginalized /vulnerable groups do you procure?

Not Applicable

c What percentage of total procurement (by value) does it constitute?

Not Applicable

4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on Traditional Knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating Benefit Share
NA	NA	NA	NA	NA

Not Applicable, as the Company has not derived or shared any benefit from the intellectual properties.

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of Case	Corrective Action Taken
-	-	-

Not Applicable, as such, no adverse orders passed by any regulatory authorities against the Company related to Intellectual property-related disputes.

6 **Details of beneficiaries of CSR Projects:**

Sr. No.	CSR Projects	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	UJJWAL BHAVISHYA SCHOLARSHIP	146	100%
2.	PLAKSHA UNIVERSITY- REIMAGINING HIGHER EDUCATION	94	-
3.	EKAL VIDYALAYA	5,921	100%
4.	COVID-19 RELIEF INITIATIVES	5,500	-
5.	COMMUNITY INITIATIVES	400	100%
6.	KOSHISH	30	100%
7.	COMMUNITY FREE SCHOOL	416	100%

Vulnerable and marginalized groups:

- Ujjwal Bhavishya Scholarship (146): - scholarship awarded to children belonging to the Household income group below ₹ 2,00,000 per annum.
- Ekal Vidyalaya (5921): - Education for children in rural/tribal areas and livelihood opportunities to village youth by providing them teaching opportunities.
- Community initiatives (400): - Distribution of sweets and blankets to urban slum children on Diwali and to less privileged people in winters respectively.
- Koshish (30): - Sports teaching to talented Children who are financially less privileged
- Community Free School (416): - Education and nutritious food to street and rural children

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1 **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

V-Mart fosters a 'Customer First' culture in the organization. To ensure customers' reachability, the Company has established multiple lines of communication such as telephonic service requests, WhatsApp support, social media, and email-id. We also monitor and receive real-time customer feedback through social media platforms like Facebook and Twitter.

We have established a structured data management system and SLA to ensure every query is responded to within a specified period. In case of escalation, a nominated grievance officer takes up the case and communicates with the customer regarding the closure of the complaint.

The Company ensures that all grievances or complaints received from customers are addressed by the Customer Care Department of the Company and resolved the same on time.

The Customer can raise their complaints/queries regarding any activities such as a complaint against the products, replacements, schemes, customer loyalty points, billing issues, staff behavior & hygiene issues or any HR and corporate-related queries, etc., through respective grievance redressal mechanisms of the company. The same is addressed, resolved, and redressal actions are promptly and equitably.

A customer can approach V-Mart to register any Query, request, or complaint by way of the following means: -

By phone on Customer Care

By email- (customercare@vmart.co.in & speakup@vmart.co.in)

By social media- (fb/vmartretail.com, Twitter/vmartretail.com)

By feedback form (Available at stores)

2 **Turnover of products and/or services as a percentage of turnover from all products/service that carry information about:**

	As a percentage of Total Turnover
Environmental and Social parameters relevant to the product	Less than 1%***
Safe and responsible usage	8%*
Recycling and/or safe disposal	81%**

*Our product portfolio includes FMCG & staples meant for safe human consumption.
** We are mainly dealing in apparel products which are not hazardous.
Any non-usable/waste yielded during operations is recycled by value chain partners across the business.
***It pertains to the V-Green products forming part of our entire product range.

3 **Number of consumer complaints in respect of the following:**

	FY-2021-22 Current Financial Year		Remarks	FY-2020-21 Previous Financial Year		Remarks
	Received during the year	Pending resolution at the end of the year		Received during the year	Pending resolution at the end of the year	
Data Privacy	Nil	Nil	-	Nil	Nil	-
Advertising	257	Nil	-	90	Nil	-
Cyber Security	Nil	Nil	-	Nil	Nil	-
Delivery of Essential Service	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Others	85,381*	Nil	-	37,819	Nil	-

*These complaints are out of the total 3 crore customers served during the year and includes feedback and clarifications.

The Company has not received any complaints about data privacy and cyber security, restrictive trade practices and unfair trade practices in FY-2022 and FY-2021. Our products and services do not fall under delivery of essential services. Most of the Complaints are product performance-related queries.

For more details, please refer to Question 23 of Section A.

4 **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

There has been no instance of a product recall on account of safety issues. Our products undergo rigorous testing and quality assurance from a safe usage and handling perspective. In addition, our product information, such as manual, leaflet and product packaging, carry safe usage instructions.

5 **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

We have a policy on cyber security and risks related to data privacy. We have established a SOD (Segregation of Duties) Policy that clearly defines appropriate authority and responsibilities to manage information security within the organization. The information security organization has been designed to ensure structured coordination of IS-related activities.

In addition, our risk management policy identifies cybersecurity and information risks and details the mechanism to place and monitor the implications of the risk. We also have a privacy policy to educate consumers on the data we collect or retain.

https://www.vmartretail.com/policies.html

6 **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on the safety of products / services.**
Not Applicable, since there have been no material issues arising relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls during the Financial Year 2021-22 and neither any penalty/ action taken by regulatory authorities of Product and Services.

Leadership Indicators

1 **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**
Information related to products is available on Company's Website (https://www.vmartretail.com/).

Further, the Company disseminates information related to its products on various social media platforms and E-Commerce websites such as Amazon and Myntra.

In addition, the Company also displays its products in its physical stores in various parts of the Country.

2 **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services**
We have mentioned all the safety instructions on the labels of each product. For education purposes, we have provided instructions for washing, drying, cleaning, non-usage of bleaching products, ironing, etc.

Further, the Company disseminates all the information regarding size, pattern, color, type of fabric etc., on all the channels and platforms where the products of the Company are accessible to the consumers.

3 **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**
The Company engages with its customers and disseminates information regarding disruption/discontinuation of essential services by sharing SMSs to the Contact Numbers and E-Mail addresses as available to the Company.

4 **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**
Yes, the Company displays all requisite information on the product as per the applicable laws (such as Legal Metrology).

Yes, customer surveys, customer data analytics and other customer research were carried out during the year based on the business need. The Company conducts surveys through its customer's feedback received via online rating and by filling up questionnaires as provided by Company.

5 **Provide the following information relating to data breaches:**
a. Number of instances of data breaches along-with impact

b. Percentage of data breaches involving personally identifiable information of customers

In Financial Year 2021-22, no issues were raised by any third party related to data breaches in the entity.

CORPORATE GOVERNANCE REPORT

Our corporate governance structure is based on the principles of clarity, fairness, and transparency. The company has made good governance an integral part of its day-to-day operations. The structure has our core values – customer centricity, commitment, agility, integrity and prudence, integrated into it. Our business strives to care for customer aspirations, discover and nurture talent, create sustained ethical growth for stakeholders, and harness vendor relationships. We aim to fulfill people's aspirations and create value for the entire ecosystem. Enhancing the stakeholders' value is fundamental to the business, and the company continuously adapts and adheres to the best practices to achieve that. We believe that good Corporate Governance practices not only ensure ethical and efficient conduct of the affairs of the company in a transparent manner but also help in maximising value for all its stakeholders like shareholders, customers, employees, contractors, vendors and society at large. The Company makes conscious efforts to institutionalise good Corporate Governance practices and believes that it shall go beyond adherence of the regulatory framework.

Corporate Governance at our Company is implemented through its robust board governance and strong management processes through internal controls, code of conduct, effective risk management framework, policies and procedures etc.

The Corporate Governance Report of the Company for the period of 12 months ended March 31, 2022 is as follows:

BOARD OF DIRECTORS

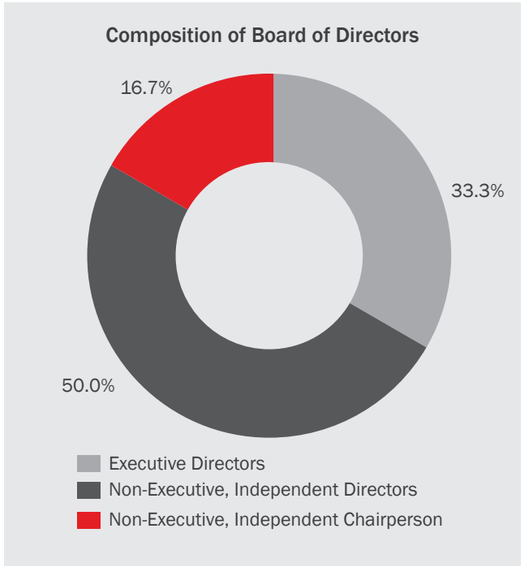
The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. It provides strategic direction, leadership and guidance to the Company's management and also monitors the performance of the Company with the objectives of creating long term value for the Company's stakeholders.

Composition of Board of Directors

The composition of the Board of Directors ("the Board") is in compliance with the requirement of the Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on March 31, 2022, the Board comprises of 6 (Six) Directors, which include a Non-Executive & Independent Chairperson, a Managing Director, a Whole-time Director and three other Non-Executive & Independent Directors, including 1 (One) Independent Women Director. The composition of the Board as on March 31, 2022 is as follows:

1) Executive Promoter Directors - 2

2) Non-Executive & Independent Directors (including Women Director) – 4



The Company has received necessary disclosures from each of its four 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.

The detailed profile of all the Board members is available on the Company's website at www.vmartretail.com in the 'Investors' section.

Skills/expertise/competence of the Board of Directors

As per SEBI listing Regulation, the "required" as well as "the actually available" skills/expertise/competence of the Board of Directors are as follows:

Board of Directors: Mapping Skills/Expertise/Competence						
Skills/Expertise/Competence Required	**Aakash Moondhra**	**Lalit M Agarwal**	**Madan Agarwal**	**Govind S. Shrikhande**	**Murli Ramachandran**	**Sonal Mattoo**
	Chairperson & Independent Director	**Managing Director**	**Whole time Director**	**Independent Director**	**Independent Director**	**Independent Director**
Buying & Procurement		√	√	√		
Supply Chain & Logistics		√		√		
Planning & Allocation		√	√	√		
Retail Operations		√	√	√		
Visual Merchandising		√	√	√		
CRM & Analytics	√			√		
Digital Technology	√			√		
Labour Relations & Compliance		√				√
Financial Planning & Analysis	√	√		√	√	
Leadership Development		√	√	√	√	√
Talent Management		√		√	√	√
Change Management				√	√	
Diversity & Inclusion						√
Corporate Governance	√	√	√	√	√	√
Investor Relations	√	√		√		
Strategic Planning	√			√	√	
Scalability & Expansion	√	√	√	√	√	
Project Management	√			√	√	

Names of the listed entities where he/she is a Director

	Name of Director	Indian Listed Companies	Relationship with Directors
Executive Directors			
	Mr. Lalit M Agarwal	V-Mart Retail Limited	Son of Mr. Madan Gopal Agarwal
	Mr. Madan Gopal Agarwal	V-Mart Retail Limited	Father of Mr. Lalit M Agarwal
Non-Executive, Independent Directors			
	Mr. Aakash Moondhra	V-Mart Retail Limited	-
	Mr. Murli Ramachandran	V-Mart Retail Limited	-
	*Ms. Sonal Mattoo	V-Mart Retail Limited Ashiana Housing Limited Poly Medicure Limited	-
	*Mr. Govind S. Shrikhande	V-Mart Retail Limited Donear Industries Limited	-

*All the directorships held by the directors in other listed companies are in the capacity of Non-Executive, Independent directors

Board Procedures

The board and the board committee meetings are pre-scheduled. An annual calendar of the meetings is circulated to the directors well in advance to ensure their availability and meaningful participation in the board and committee meetings. 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 Management team is invited to provide update on key areas such as functional performance, risk management, operations and business performance. The requisite strategic and material information is made available to the Board to ensure transparent decision making by the Board.

Internal & Statutory Auditors are invited to present the audit findings before the Audit Committee and at each of the Audit Committee meeting an independent discussion between the Audit Committee members and the statutory auditors and independent directors is held without the presence of management team.

Post the meetings the important decisions taken at the board and board committee meetings are tracked till their closure and an 'action taken report' is placed before the board at each board meeting for their noting and review.

To maintain continuous engagement and to review the strategic and other significant matters the Board periodically meets with the senior management team through video conference/ conference calls.

Number of Board Meetings

During the financial year 2021-22, 5 (five) Board Meetings were held. The time gap between any two Board Meetings did not exceed 120 (One Hundred and Twenty) days as prescribed in the Act and SEBI Listing Regulations. These meetings were held on 28/05/2021, 21/07/2021, 10/08/2021, 8/11/2021, and 10/02/2022.

The necessary quorum was present for 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 2021-22	No. of other directorships in public companies* as on March 31, 2022	Attendance in the last AGM	No. of Committee** positions held in other public companies as on March 31, 2022	
					Chairperson	Member
Mr. Aakash Moondhra (Chairperson)	Independent Non-Executive Director	5	-	Yes	-	-
Mr. Lalit M Agarwal (Managing Director)	Promoter Executive	5	-	Yes	-	-
Mr. Madan Gopal Agarwal (Whole-time Director)	Promoter Executive	5	-	Yes	-	-
Ms. Sonal Mattoo	Independent Non-Executive Director	5	2	Yes	-	2
Mr. Murli Ramachandran	Independent Non-Executive Director	5	-	Yes	-	-
Mr. Govind S. Shrikhande	Independent Non-Executive Director	5	1	Yes	-	-

* Alternate directorships and directorships in private companies, foreign companies and Section 8 companies are excluded.
**Includes Chairpersonships/memberships of only Audit Committee and Shareholders'/Investors' Grievance Committee.

During the financial year 2021-22, all information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration and the Board periodically reviews the compliance reports of all laws applicable to the Company, as prepared by the Company.

The number of Directorship, Committee Membership and Chairpersonship 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.

Matters placed before the Board

The information/matters being provided to the Board inter-alia includes:

Strategic Matters

- Details of any joint venture or collaboration agreement
- Sale or purchase of investments or assets, which are material in nature and not in the normal course of business.
- Defining the Long Range Plan of the Company
- Corporate restructuring activities including merger/ demerger

Operational Matters

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Significant Labour problems and their proposed solutions.
- Any significant development in the Human Resource area.
- Regular update on operations of the Company.

Finance Matters

- Quarterly results for the listed entity and its operating divisions.
- Any material default in financial obligations.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

Governance Matters

- Minutes of meetings of the Board Meeting & audit committee and other committees of the Board of Directors.
- Information on recruitment and remuneration of senior officers just below the level of Managing Director, 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.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- 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 Equity shares held by the Directors in the Company as on March 31, 2022 are as follows:

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

*Includes holding in individual capacity only

BOARD EVALUATION

The annual evaluation process of the Board of Directors ("Board"), Committees and individual Directors was carried out in the manner prescribed in the provisions of the Companies Act, 2013 and as per the Corporate Governance requirements prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Board evaluation criteria and process

In order to ensure that the Board and board committees are functioning effectively and to comply with statutory requirements, the annual performance evaluation of the Board, board committees and individual directors was conducted during the year. The evaluation was carried out based on the criteria and framework approved by the Nomination & Remuneration Committee in the manner prescribed in the provisions of the Companies Act, 2013 and as per the Corporate Governance requirements prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The evaluation criteria includes 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 January 5, 2017.

All the directors participated in the evaluation process. The responses received from the board members were compiled and a consolidated report was submitted to the Board by the Company Secretary.

Outcome of board evaluation and action plan

The Board discussed the evaluation report for the FY 2021-22 at length. The Board members were satisfied by the functioning and contributions of the Board, Committees, Independent directors and the Chairperson of the Company. On the basis of the suggestions received during the evaluation, an action plan was created considering the growth of the organization. The board agreed that it was crucial to improve the composition of the board. It also emphasized the need to upgrade skills of the members due to the dynamic nature of the operating environment.

INDEPENDENT DIRECTORS

All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 ("Act") and the Rules framed thereunder. The declarations of independence received from the independent directors are noted and taken on record by the Board.

In the opinion of the Board, the independent directors fulfill the criteria of independence as stated under Section 149(6) of the Act and the rules made thereunder and Regulation 16(1)(b) of the Listing Regulations, and are independent of the management.

An Independent Director shall possess an 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.

Each of the independent directors have registered their names in the online databank maintained by the Indian Institute of Corporate Affairs. All the Independent directors are exempted from passing the online proficiency test as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Board has adopted a Familiarization Program for Independent Directors, ("The Familiarization Program"). The Program lays down, in detail, the Familiarization 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 Program has been posted on the Company's website www.vmartretail.com (http://www.vmart.co.in/investor/5/corporate-governance)

Meeting:

Pursuant to the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, the independent directors meet without the presence of the Management and non-executive directors. During the year under review, 1 Meeting of Independent Directors was held on February 4, 2022 to inter alia review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson, taking into account the views of Executive and Non-Executive Directors. The quality, quantity and timeliness of flow of information between the management and the Board is also assessed. The attendance of the independent directors at the meeting of the independent directors held in FY 2021-22 is provided below:

Name of Independent Director	Meeting attended
Mr. Aakash Moondhra	Yes
Mr. Murli Ramachandran	Yes
Ms. Sonal Mattoo	Yes
Mr. Govind S. Shrikhande	Yes

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.

Brief description of terms

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 statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees/remuneration.
3. Review and monitor the auditor's independence, performance and effectiveness of audit process;
4. Examination of the financial statement and the auditors' report thereon.
5. Approval or any subsequent modification of transaction(s) of the Company with related party/(ies);
6. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
7. Scrutiny of inter-corporate loans and investments;
8. Valuation of undertaking or assets of the Company, wherever it is necessary;
9. Reviewing, with the management, the annual financial statements 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;
   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. Modified opinion/Qualifications in the draft audit report and Limited Review Reports.
10. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

11. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

13. Evaluation of internal financial controls and risk management systems.

14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

15. Discussion with internal auditors any significant findings and follow up there on.

16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

19. To review the functioning of the Whistle Blower/Vigil mechanism.

20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

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

22. The Audit Committee may call for the comments of the auditors about the internal control system, the scope of the audit, including the observations of the auditors and review of financial statements before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and management of the Company.

23. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding Rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.

24. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder.

25. The Audit Committee shall also perform other functions/ roles as may be specified/prescribed/applicable under Companies Act, 2013, rules made thereunder, including any amendment and Listing Agreement with the stock exchanges from time to time.

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;

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

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 Chairperson 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 2021-22, 5 (five) Audit Committee Meetings were held. The meetings were held on 28/05/2021, 21/07/2021, 10/08/2021, 8/11/2021, and 10/02/2022. 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 during the period ended March 31, 2022 is as follows:

Name of Members	Category	Status	No. of meeting attended
Mr. Murli Ramachandran	Independent	Chairperson*	5
Mr. Aakash Moondhra	Independent	Member	5
Ms. Sonal Mattoo	Independent	Member	5
Mr. Govind S. Shrikhande	Independent	Member	5

*Mr. Murli Ramachandran was appointed as the Chairperson of the Audit Committee with effect from February 10, 2022, replacing Mr. Aakash Moondhra.

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

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

NOMINATION & REMUNERATION COMMITTEE

The Company has constituted a 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 role of the Nomination and Remuneration Committee inter-alia includes the following:

1. The Nomination & Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

2. To decide on extension or discontinuation of the term of appointment of the independent directors, on the basis of the report of performance evaluation.

3. The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

4. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director, and

5. Recommend to the Board a policy, relating to the remuneration for directors, key managerial personnel and other employees including ESOP, pension rights and any other compensation payment.

6. The Nomination & Remuneration Committee shall also formulate the criteria for evaluation of Independent Directors and the Board and also laid down the policy on Board's diversity.

7. The Nomination & Remuneration Committee shall recommend to the board, all remuneration, in whatever form, payable to senior management, Managerial person and Directors of the Company.

8. Framing the Employees Share Purchase Scheme / Employees Stock Option Scheme and recommending the same to the Board/ shareholders for their approval and implementation/administration & monitoring of the scheme approved by the shareholders.

9. Suggesting to Board/ shareholders changes in the ESPS/ ESOP schemes.

10. The Nomination & Remuneration Committee shall also perform other functions/roles as may be specified/ prescribed/applicable under the Companies Act, 2013, rules made thereunder, including any amendment and Listing regulations with the stock exchanges from time to time.

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 6 (Six) times on 28/05/2021, 21/07/2021, 10/08/2021, 27/08/2021, 8/11/2021 and 10/02/2022 during the financial year 2021-22.

The composition of the Committee and details of attendance at the Meetings during the period ended March 31, 2022 is as follows:

Name of Members	Category	Status	No. of meeting attended
Mr. Murli Ramachandran	Independent	Chairperson	6
Mr. Aakash Moondhra	Independent	Member	6
Ms. Sonal Mattoo	Independent	Member	6
Mr. Govind S. Shrikhande	Independent	Member	6

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

Succession planning for the Board and Senior Management

The Company believes that sound succession plans for the board members and senior management are very important for a strong tomorrow. The plans are closely lined up with the company's strategy and long-term goals. An effective mechanism for succession planning which focuses on the orderly succession of directors, including Executive Directors and other senior management is in place. The mechanism strives to maintain an appropriate balance of skills and experience within the organization. The company has identified its second line of leadership and has programs to train them to take up the positions of higher responsibilities.

RISK MANAGEMENT COMMITTEE

Brief description of terms of reference

The Company has constituted a Risk Management Committee in accordance with provisions of Regulation 21 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 134 of the Companies Act, 2013.

The Risk Management Committee has been constituted specifically to ensure that a risk management system is established, implemented and maintained. The Committee shall be responsible for framing, implementing and monitoring the risk management plan, Assign the roles and responsibilities in relation to enterprise risk management, ensuring that the chosen risk approach is aligned to the organizational vision, mission, strategy, goals and objectives etc. The role of the Committee inter-alia includes the following:

1. To formulate a detailed risk management policy which shall include:
   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks;
   (c) Business continuity plan;
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. Such other functions as may be prescribed by Board or any other applicable laws.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The committee met four times on 28/05/2021, 10/08/2021, 08/11/2021 and 10/02/2022 during the financial year 2021-22. The composition and attendance of Risk Management Committee during the period ended March 31, 2022 is as under:

Name of Members	Category	Status	No. of meeting attended
Mr. Murli Ramachandran	Independent	Chairperson*	4
Mr. Aakash Moondhra	Independent	Member	4
Ms. Sonal Mattoo	Independent	Member	4
Mr. Govind S. Shrikhande	Independent	Member	4

*Mr. Murli Ramachandran was appointed as the Chairperson of the Risk Management Committee with effect from February 10, 2022, replacing Mr. Aakash Moondhra.

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.

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 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.

During the financial under review, the non-executive directors including independent directors were paid sitting fees of ₹ 50,000/- per board meeting. The Board of Directors at its meeting held on May 28, 2021, revised the sitting fee payable to the non-executive directors and Independent directors to ₹ 100,000/- for attending the board meetings. Further, the Board in its meeting held on February 10, 2022, introduced the sitting fees of ₹ 75,000 for attending the Audit Committee & Nomination & Remuneration Committee each, per meeting per member.

Further, shareholders at the Annual General Meeting held on August 25, 2021 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 Act, to be paid and distributed among all the Non-Executive Directors of the Company 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 each Director;
- Any other aspect, if applicable.

The details of remuneration paid (including commission due as on 31/03/2022 but not paid) to the Directors (including Independent Directors) for the period of 12 months ended on March 31, 2022 are given below:

(Amount in ₹ lakhs)

Name of Director	Designation	Salary	Commission	Value of perquisites u/s 17(2) of the Income tax Act, 1961	Sitting Fee	Total
Mr. Aakash Moondhra	Chairperson and Independent Director	-	2.09	-	6.50	8.59
Mr. Lalit M Agarwal	Managing director	85.63	-	90.00	-	175.63
Mr. Madan Gopal Agarwal	Whole-time Director	31.55	-	-	-	31.55
Mr. Murli Ramachandran	Independent Director	-	0.89	-	6.50	7.39
Ms. Sonal Mattoo	Independent Director	-	0.86	-	6.50	7.36
Mr. Govind S. Shrikhande	Independent Director	-	0.91	-	6.50	7.41

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has constituted a 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 role of Stakeholders Relationship Committee inter-alia includes the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

The Committee also approves transfer, transmission of shares and issues like split, sub-division, consolidation of securities, issue of duplicate share certificates, dematerialization/ re-materialization of shares etc.

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

MEETING OF THE COMMITTEE

The meeting of the Committee was held on 28/05/2021 during the financial year 2021-22. The composition and attendance of the Stakeholders Relationship Committee during the period ended March 31, 2022 is as under:

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

Investors' Grievance Redressal

Details of investor complaints received and resolved during the year under review are as follows:

Particulars	Complaints
Received during the year	0
Disposed-off during the year	0
Remaining unresolved as on March 31, 2022	NIL

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with Section 135 of the Companies Act, 2013 read with (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being 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 Committee functions in accordance with the terms of reference as specified under the Act, and as may be specified by the Board from time to time, which inter-alia includes:

1. Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
2. Ensure the activities included by the Company in its CSR policy are related to the activities of Schedule VII of Companies Act, 2013;
3. Recommend the amount of expenditure to be incurred on the activities;
4. Develop internal operating structure and transparent monitoring mechanism; and
5. Periodically monitor the implementation of CSR Policy of the Company.

The disclosures as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form which is appended to the Directors' Report forming part of this Annual Report.

Meeting of the Committee

The committee met four times on 28/05/2021, 10/08/2021, 08/11/2021 and 10/02/2022 during the financial year 2021-22. The composition and attendance of the Corporate Social Responsibility Committee are as under:

Name of Member	Category	Status	No. of Meetings attended
Mr. Lalit M Agarwal	Promoter Executive	Chairperson	4
Mr. Madan Gopal Agarwal	Promoter Executive	Member	4
Mr. Aakash Moondhra	Independent	Member	4
Ms. Sonal Mattoo	Independent	Member	4
Mr. Govind S. Shrikhande	Independent	Member	4

WAREHOUSE COMMITTEE

The Board vide its Meeting dated 22nd day of January, 2021 approved the constitution of the Warehouse Committee for the purchase/acquisition of land and construction/operation of warehouse.

Functions and Role of Committee

The Committee is authorised to do such acts, deeds, and things, in its absolute discretion, as it deems necessary or desirable in connection with buying/purchasing land, conducting due-diligence, appointing contractors, consultants or vendors for construction & operation of the warehouse, including, without limitation, the following:

1. To conduct the due diligence for the proposed land;
2. To approve the location of the land;
3. Determining the term and conditions of the agreement for acquisition of land and any other relevant activity(ies);
4. Approving, finalising, executing, ratifying and amending / modifying agreements and documents, including any powers of attorney, letters and agreements in connection with the acquisition of land and construction of warehouse thereon;
5. Providing such declarations, affidavits, certificates, consents and / or authorities as required from time to time;
6. Filing requisite documents with any of the Government of India, and any other statutory and / or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;
7. seeking any clearance, license and approval for the usage of the land/property;
8. To negotiate the commercials;
9. Further authorising and empowering any officer(s) and/or employee of the Company, to execute and deliver, for and on behalf of the Company, any and all other documents or instruments and to do or cause to be done any and all acts or things as the members may deem necessary, appropriate or advisable in order for the acquisition of land, construction and operation of warehouse; and
10. To do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or settle any issues, questions, difficulties or doubts that may arise in regard to or in connection with any matter(s) referred herein.

Further, it is noted that the committee shall meet periodically as required and quorum for a meeting of the Warehouse Committee shall either be two members and the committee may meet as and when required.

Meeting of the Committee

The committee met 9 (nine) times on 18/05/2021, 24/06/2021, 26/07/2021, 25/08/2021, 05/10/2021, 26/10/2021, 18/01/2022, 20/01/2022 and 20/03/2022 during the financial year 2021-22. The composition and attendance of Warehouse Committee during the period ended March 31, 2022 is as under:

Name of Member	Category	Status	No. of Meetings attended
Mr. Lalit M Agarwal	Managing Director	Chairperson	9
Mr. Madan Gopal Agarwal	Whole- Time Director	Member	9
Ms. Anand Agarwal	Chief Financial Officer	Member	9
Mr. Ramesh Agarwal	VP Warehouse & FMCG	Member	9

INVESTMENT COMMITTEE

The Board of Directors in their Meeting dated January 22, 2021 had constituted an Investment Committee for the purposes of undertaking various actions for the purposes of the proposed QIP, for raising funds aggregating up to ₹ 500 crores through the issuance of securities (including but not limited to the finalization of relevant date, floor price, issue price, approval of the preliminary placement document and the placement document, identification and finalization of investors, and issuance, allotment and listing of the Equity Shares) in terms of the SEBI ICDR Regulations and Companies Act, 2013 and the applicable rules made thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, each including any amendment(s), statutory modification(s), or re-enactment(s) thereof and other matters incidental thereto.

Functions and Role of Committee

The committee is authorised to do such acts, deeds, and things, in its absolute discretion, as it deems necessary or desirable in connection with offering, issuing, and allotting the Equity Shares, including, without limitation, the following:

1. Offer, issue and allot the Equity Shares, subject to such terms and conditions, as determined by the committee, in its absolute discretion;
2. Determining the terms and conditions of the QIP, including among other things, the date of opening and closing of the QIP, pricing (including the determination of any premium or discount, subject to applicable law) and / or finalising the objects of the QIP and the monitoring of the same;
3. Approving, finalising, and executing the preliminary placement document and the placement document and to approve and finalise any bid cum application form, confirmation of allocation notes, and any other documents in this regard;
4. Approving, finalising, executing, ratifying and amending / modifying agreements and documents, including any powers of attorney, lock-up letters, and agreements in connection with the appointment of any intermediaries and / or advisors (including for marketing, listing, trading, and appointment of book running lead managers / legal counsel / bankers / advisors /registrars / any other intermediaries as required) and to pay any fees, commission, costs, charges and other expenses in connection therewith;
5. Providing such declarations, affidavits, certificates, consents and / or authorities as required from time to time;
6. Seeking any consents and approvals, including, among others, consent from the Company's lenders, customers, vendors, and other parties with whom the Company has entered into agreements and from concerned statutory and regulatory authorities;
7. Filing requisite documents with the Securities and Exchange Board of India, the stock exchanges where the Equity Shares are listed ("Stock Exchanges"), the Government of India, the Reserve Bank of India, and any

other statutory and / or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;

8. Seeking the listing of the Equity Shares on the Stock Exchanges, submitting the listing application to such Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing approvals (both in - principle and final listing and trading approvals) ;

9. Opening one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board / its duly constituted committee;

10. Accepting and appropriating and investing of the proceeds of the QIP including taking decisions to invest the funds from the QIP or other surplus funds of the company into any avenues as per the Investment Policy of the Company, as modified from time to time by the Board of Directors of the Company;

11. Affixing the common seal of the Company, as required, on any agreement, undertaking, deed or other document, in the presence of any one or more of the directors of the Company or any one or more of the officers of the Company as may be authorised by the Board / its duly constituted committee in accordance with the memorandum of association and articles of association of the Company;

12. Further authorising and empowering any director(s) and / or officer(s) of the Company, to execute and deliver, for and on behalf of the Company, any and all other documents or instruments and to do or cause to be done any and all acts or things as the director(s) / officer(s) may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing, or in connection with the QIP, and any documents or instruments so executed and delivered or acts and things done or caused to be done by the director(s)/ officer(s) shall be conclusive evidence of the authority of the director(s) /officer(s) and the Company in doing so; and

13. To do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or settle any issues, questions, difficulties or doubts that may arise in regard to or in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions and the members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Board / its duly constituted committee in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.

Meeting of the Committee

The Committee met four times on 28/05/2021, 10/08/2021, 08/11/2021 and 10/02/2022 during the financial year 2021-22. The composition and attendance of Investment Committee during the period ended March 31, 2022 are as under:

Name of Member	Category	Status	No. of meeting attended
Mr. Lalit M Agarwal	Managing Director	Chairperson	4
Mr. Madan Gopal Agarwal	Whole- Time Director	Member	4
Mr. Govind S. Shrikhande	Independent Director	Member	4
Mr. Anand Agarwal	Chief Financial Officer	Member	4
Mr. Girish Kumar Garg*	GM – Treasury & banking	Member	2
As determined by the Company	Representative of Investment Advisors	Member	2

*Mr. Girish Kumar Garg had resigned from the position of GM Treasury and Banking w.e.f. September 11, 2021.

COMPLIANCE OFFICER

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

GENERAL BODY MEETINGS

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

Financial Year	Day & Date	Time	Location of the Meeting	Special Resolution Passed
2020-21	Wednesday, August 25, 2021	10.00 A.M.	Meeting held through Video Conferencing/ Other Audio Visual Means	Yes
2019-20	Wednesday, September 30, 2020	11.00 A.M.	Meeting held through Video Conferencing/ Other Audio Visual Means	Yes
2018-19	Friday, August 2, 2019	9.30 A.M.	India Islamic Cultural Centre, 87-88 Lodhi Road, Near Lodhi Gardens, New Delhi - 110003	Yes

During the period of the 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.vmartretail.com.

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 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 personnel, affirmation that they have complied with the Code in the financial year 2021-22.

Lalit M Agarwal
Managing Director

INFORMATION TO SHAREHOLDERS

1. **Date, time and Venue of the 20th Annual General Meeting**

   Tuesday, August 30, 2022 at 11:00 A.M. (IST) through Video Conferencing/Other Audio Visual Means.

2. **Financial Year**

   April 1, 2021 to March 31, 2022

3. **Date of Book Closure**

   Saturday, August 20, 2022 to Tuesday, August 30, 2022 (both days inclusive).

4. **Dividend**

   The Board of Directors of the Company has recommended a dividend of ₹ 0.75 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 August 19, 2022. (record/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,
   Laxmi 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

BSE LIMITED

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

The Securities of the Company were listed on both Stock Exchange throughout the year.

LISTING FEES

Listing fees, as prescribed for the financial year 2022-23, 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 – info@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. Lalit M Agarwal, Managing Director and

2) Mr. Anand Agarwal, Chief Financial Officer

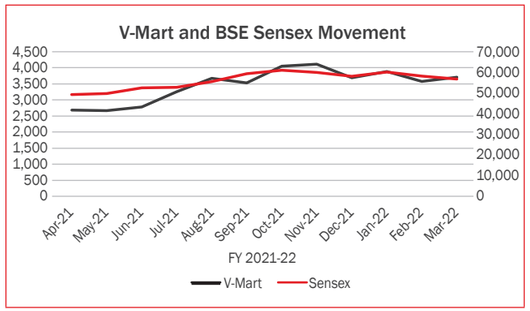
Through the e-mail addresses info@vmart.co.in under the Investor section of Company's website.

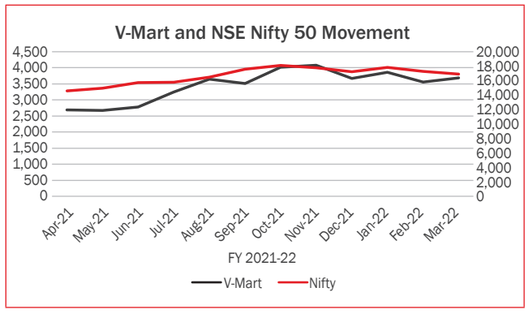
STOCK MARKET DATA

Monthly High and Low Share Price of V-Mart Retail Ltd. for the 2021-2022 at BSE and NSE

Month	Bombay Stock Exchange(BSE)		National Stock Exchange (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April – 2021	3,082.10	2,495.80	3,084.00	2,493.00
May – 2021	2,847.40	2,560.00	2,849.00	2,555.55
June – 2021	3,134.65	2,720.05	3,141.90	2,725.10
July – 2021	4,075.80	2,800.00	4,085.00	2,800.35
August – 2021	4,039.95	3,371.20	4,050.00	3,368.00
September – 2021	3,795.00	3,305.45	3,800.00	3,307.15
October – 2021	4,620.00	3,547.40	4,564.00	3,529.55
November – 2021	4,488.00	3,639.90	4,848.80	3,625.10
December – 2021	4,036.70	3,382.45	4,014.05	3,382.65
January – 2022	4,156.95	3,630.05	4,151.00	3,650.00
February – 2022	3,810.00	3,200.00	3,815.95	3,200.00
March – 2022	4,026.95	3,285.60	4,036.45	3,288.65

PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON TO BSE SENSEX & NSE- NIFTY



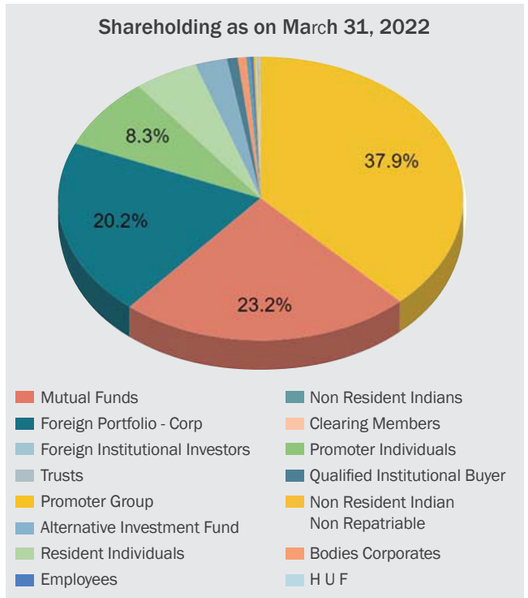


The performance comparison is based on the average closing price of the month.

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2022

S. no	Description	No. of Cases	Total Shares	% Equity
1	MUTUAL FUNDS	19	4588368	23.23
2	FOREIGN PORTFOLIO - CORP	98	3984937	20.18
3	FOREIGN INSTITUTIONAL INVESTORS	1	10601	0.05
4	TRUSTS	6	19645	0.10
5	PROMOTER GROUP (BODY CORPORATES)	1	7490673	37.93
6	ALTERNATIVE INVESTMENT FUND	8	508173	2.57
7	RESIDENT INDIVIDUALS	22295	1009822	5.11
8	EMPLOYEES	29	53882	0.27
9	NON RESIDENT INDIANS	713	64648	0.33
10	CLEARING MEMBERS	47	18758	0.09
11	PROMOTER INDIVIDUALS	3	1634358	8.28
12	QUALIFIED INSTITUTIONAL BUYER	2	172767	0.87
13	NON RESIDENT INDIAN NON REPATRIABLE	325	41012	0.21
14	BODIES CORPORATES	249	130078	0.66
15	H U F	429	21732	0.11
	Total:	**24225**	**19749454**	**100.00**

*PAN based data



DISTRIBUTION SCHEDULE AS ON MARCH 31, 2022:

S. no	Category (by no. of shares)	No. of Shareholders*	% to holders	No. of Shares	% of Shares
1	1 - 500	23748	98.03	644347	3.26
2	501 - 1000	177	0.73	127474	0.65
3	1001 - 2000	115	0.47	163312	0.83
4	2001 - 3000	38	0.16	90146	0.46
5	3001 - 4000	29	0.12	101347	0.51
6	4001 - 5000	15	0.06	65202	0.33
7	5001 - 10000	31	0.13	225314	1.14
8	10001 - 20000	16	0.07	211302	1.07
9	20001 and above	56	0.23	18121010	91.75
	Total:	**24225**	**100.00**	**19749454**	**100.00**

*without grouping

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:

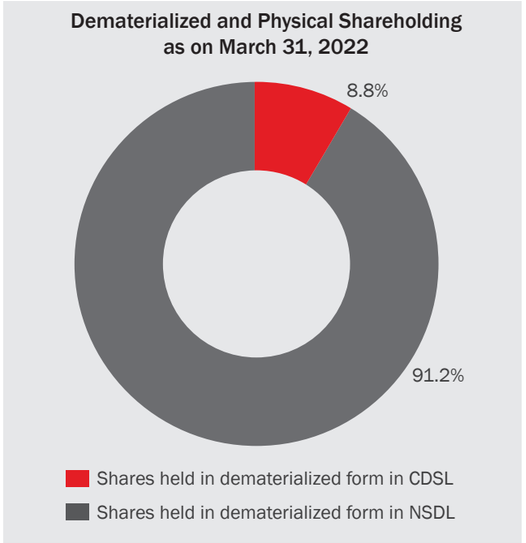
- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year: Nil
- Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year: Nil
- Number of shareholders to whom shares 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 a stipulated time period. The below mentioned table contains detail break – up of share capital, held in dematerialized or physical mode, of the Company as on March 31, 2022:

No. of shares held in dematerialized and physical mode:

Sr. No.	Particulars	Number of Shares	% of Total issued Capital
1	Shares held in dematerialized form in CDSL	17,37,769	8.8
2	Shares held in dematerialized form in NSDL	1,80,11,693	91.2
3	Shares held in physical form	2	0
	Total	**1,97,49,454**	**100**



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, **KFin Technologies Limited** can be contacted at the following address:

KFin Technologies Limited
Selenium Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad, Telangana - 500 032,
Tel No.: +91 40-67162222 Toll Free: 1800 0345 4001
Fax No.: 040 23420814
Email: support@karvy.com
Website: www.kfintech.com

SHARE TRANSFER SYSTEM

Pursuant to SEBI's Circular, the shares of the Company held in the dematerialized form are electronically traded in the Depository can be transferred and the Company shall not entertain any request for physical transfer of shares, However the request for transmission can be entertained by the Company. In such cases transmission in physical form which are lodged at the above offices of the Registrar and Share Transfer Agent, such transmission requests are processed within the stipulated time period. All share transmissions are approved by the officials authorized by the Board and thereafter ratified by the Stakeholders Relationship Committee.

CREDIT RATING

The Investment Information and Credit Rating Agency of India Limited (ICRA) has reaffirmed the earlier Bank facilities credit rating of the Company, mentioned here-under:

Facility Existing	Pervious Rating	Rating Reaffirmed
Long term bank limits	[ICRA] AA- (ICRA double A minus) (with stable outlook)	[ICRA] AA- (ICRA double A minus) (with stable outlook)
Short term bank limits	ICRA AI + (ICRA A one plus)	ICRA AI + (ICRA A one plus)

UPDATE E-MAILS FOR RECEIVING NOTICE/ DOCUMENTS IN E-MODE

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed service of documents by Companies including Notice calling General Meeting(s), Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible corporate citizen, your Company fully supports the MCA's endeavor.

In accordance with the same, your company will send Notice calling General Meetings, Annual Report and other documents in electronic mode to all the shareholders on their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report along with Notice will be sent to the shareholders in electronic mode at their email addresses. Physical copy will be sent to only those shareholders whose e-mail addresses are not registered with the Company or RTA.

The shareholders who have not registered their email addresses with the Company are requested to kindly register their e-mail addresses with the RTA of the Company i.e. **KFin Technologies Limited** to better service shareholder correspondence through e-mode.

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 were 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	Result Declaration Date	Date of Publication
Unaudited financial results for the first quarter ended June 30, 2021	August 10, 2021	August 11, 2021
Unaudited financial results for the second quarter and the half year ended September 30, 2021	November 08, 2021	November 09, 2021
Unaudited financial results for the third quarter and the nine months ended December 31, 2021	February 10, 2022	February 11, 2022
Audited financial results for the fourth quarter and the year ended March 31, 2022	May 29, 2022	May 29, 2022

Investors / Analyst Meets:

The Company hosts calls or meetings with institutional investors on request. Post the quarterly results, an analyst meet / call is organized which provides a platform for the Management to answer questions and provide clarifications to investors and analysts. The Company continues to interact with all types of funds and investors in order to have a diversified shareholder base both in terms of geographical location and investment horizon. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/ analysts after the declaration of the quarterly, half-yearly and annual results are submitted to NSE, & BSE as well as uploaded on the Company's website on a regular basis. The Company also issues press releases from time to time.

Website:

The Company's website contains a separate section for investors. Information on various topics such as the Board of Directors, committees of the Board, Policies, press release, annual report, quarterly results and shareholding pattern of the company and other intimations to stock exchanges are available on the website of the Company: www.vmartretail.com.

SUBSIDIARY COMPANIES

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

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a Certificate from the Practicing 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 as Annexure-I to this Annual Report.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) were appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 16th Annual General Meeting held on June 29, 2018 until the conclusion of 21st Annual General Meeting of the Company to be held in the calendar year 2023, subject to annual ratification by members at every Annual General Meeting, on such remuneration as may be decided. However, vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, the requirement of annual ratification has been omitted.

DETAILS OF THE TOTAL FEES PAID TO THE STATUTORY AUDITORS

The details of the total fees for all the services paid by the Company to statutory auditors are as follow:

Type of service	Fees paid in FY 2021-22 (Amount in lakhs)
Audit Fees (Including Limited Review)	41.20
Tax Audit Fee	2.00
Other Services (₹ 2 lakh towards ESOP Certificates)	2.00
Reimbursement of expenses	3.86
Total	**49.06**

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has in exercise of powers conferred under Securities and Exchange Board of India, Act, 1992 has made the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 to amend the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

In view of the above the amended code of conduct to regulate monitor & report trading by insider, has been approved by the Board of Directors at their duly convened meeting. The code prohibits purchase /sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. The V-Mart Insider code is available on the Company's corporate website.

DISCLOSURES

Disclosures of related party transactions: There have been no significant material related party transactions. The related party transactions are disclosed in the Notes to the Accounts in this Annual Report. All details relating to business transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussions nor do they vote on such matters. The policy on material related party transactions is available on http://www.vmart.co.in/nimda/product_image/invester/RELATED_PARTY_POLICY5.pdf.

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-(https://www.vmart.co.in/investor/5/corporate-governance).

Certificate from Company Secretary in practice

As per the requirements of the listing regulations, a certificate from practicing Company Secretary, confirming that none of the Directs of Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report as **Annexure-II**.

WHISTLE BLOWER / VIGIL MECHANISM

The Company has established a Vigil Mechanism / Whistleblower Policy. 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 ethic's policy and provide adequate safeguards against victimization of the person availing this mechanism. This policy has been appropriately communicated within the organization and is effectively operational. This policy provides a mechanism whereby Whistle Blower may send protected disclosure directly to the Chairperson of the Audit Committee.

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

DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH QUALIFIED INSTITUTIONS PLACEMENT

The Shareholders' of the Company in their 18th Annual General Meeting, have authorized to create, issue, offer and allot as may be decided by the Board in terms of the applicable regulations and as permitted under the applicable law, in one or more tranches, with or without green shoe option for an aggregate amount of up to ₹ 500 Crore (Rupees Five Hundred Crore Only) to such investors, whether Indian or foreign, that may be permitted to invest in such issuance of Securities, including eligible qualified institutional buyers (the "QIBs") as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, by way of a public issue, preferential allotment, private placement, including a qualified institutions placement (the "QIP") in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Pursuant to the above approval, the Company through its Investment Committee has issued and listed 1,530,612 equity shares of ₹ 10/- each at price of ₹ 2,450/- per equity share aggregating to ₹ 3,749,999,400 on 03.02.2021 to 30 qualified institutional buyers (the "QIBs") under the applicable provision of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Out of the total amount of ₹ 375 Crores raised, ₹ 5 Crores had been spent on the QIP expenses and hence the remaining amount of ₹ 370 Crores has been utilized for the following purposes as on March 31, 2022 as depicted in the table given below:

S. No	Head	Amount (₹) Rounded off	Deviation in terms of Reg. 32 of SEBI (LODR Regulations, 2015
1.	• Funding towards Expansion of Stores Network, including warehousing facilities and related land acquisition; • Funding towards digital initiatives • General Corporate purposes; • other corporate exigencies, including but not limited to the refurbishment and renovation of existing stores	269.15 Crores	No
2.	Investments:-		
	Debt Bond	14.90 Crores	No
	Debt Mutual Fund	37.25 Crores	
	Equity Mutual Fund	46.7 Crores	
	Fixed Deposit	2.00 Crores	
	Total	**370 Crores**	**No**

DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The disclosure pertaining to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been provided in the Board Report for the reference of the stakeholders.

NON-MANDATORY REQUIREMENTS:

- **Chairperson of the Board:** The Board of Directors of the Company have appointed Mr. Aakash Moondhra, Non-Executive and Independent Director who is not related to the Managing Director of the Company, as the Chairperson of the Board.
- **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.vmartretail.com
- **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.
- **Business responsibility and sustainability reporting:** SEBI through its Circular No.: SEBI/HO/CFD/CMD-2/P/CIR/2021/56 had introduced the Business responsibility and sustainability reporting by listed entities on their performance against the nine principles of the 'National Guidelines on Responsible Business Conduct (NGBRCs) and reporting under each principle with effect from the financial year 2022-2023, filing of BRSR shall be mandatory for the top 1000 listed companies (by the market capitalization) and shall replace the existing BRR and the filing of BRSR was made voluntary for the financial year 2021-22. However, you Company on embarking its ESG journey has decided to voluntarily publish its first Business responsibility and sustainability report for the FY 2021-22. The same will also be published on the website of the Company at www.vmartretail.com

Annexure-I

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Corporate Identification Number: L51909DL2002PLC163727
Nominal Capital: 25,00,00,000/-

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

We have examined all the relevant records of V-Mart Retail Limited ('the Company') for the purpose of certifying compliance with the conditions of the Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended, for the financial year ended March 31, 2022. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of certification. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Company Secretaries of India ("the ICSI").

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all material requirements of Corporate Governance as stipulated in Regulation 17 to 27, Clauses (b) to (i) and (t) of Sub Regulation 2 of the Regulation 46 and Para C, D and E of the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

This certificate 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.

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, 2015, and it should not be used by any other person for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **OBEROI & ASSOCIATES;**
(Company Secretaries)

CS HARSH OBEROI
Practising Company Secretary
FCS: 11088 | CP No.: 17834
Peer Review Code: 938/2020
UDIN: F011088D000390852

May 25, 2022
Sonipat

Annexure-II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of **V-MART RETAIL LIMITED** having **CIN L51909DL2002PLC163727** and having registered office **at 610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, East Delhi, New Delhi – 110092**, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the regulation 34(3) read with Schedule V, Para-C, Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to the verifications [including "Directors Identification Number" (DIN)] status at the portal www.mca.gov.in, as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2022, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1	Lalit M Agarwal	00900900	24.07.2002
2	Madan Gopal Agarwal	02249947	24.07.2002
3	Aakash Moondhra	02654599	18.03.2010
4	Murli Ramchandran	00264018	22.01.2015
5	Sonal Mattoo	00106795	22.01.2015
6	Govind S. Shrikhande	00029419	02.11.2018

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on the verification of the records maintained by the Company, annual disclosure received by the Company from its Directors, and verification of the status of DIN data of the Directors available on the Ministry of Corporate Affairs Portal.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, 2015, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **OBEROI & ASSOCIATES**
Company Secretaries

HARSH OBEROI
(Practising Company Secretary)
FCS: 11088 |CP No.: 17834
Peer Review Code: 938/2020
UDIN: F011088D000390863

May 25, 2022
Sonipat

CERTIFICATION BY MD AND CFO

To,
The Board of Directors,
V-Mart Retail Ltd.,
Plot No. 862, Udyog Vihar,
Industrial Area Phase – V, Gurgaon – 122016 (Haryana)

Dear Sirs,

We hereby certify that:

(a) We have reviewed the financial statements and cash flow statement for the financial year ended March 31, 2022 and that to the best of our knowledge and belief:

i. these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered in to by the Company during the quarter which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

i. significant changes in internal control over the financial reporting during the quarter;

ii. significant changes in accounting policies during the quarter and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **V-Mart Retail Ltd.**

Sd/-
Lalit M Agarwal
Managing Director

Sd/-
Anand Agarwal
Chief Financial Officer

Date: May 25, 2022
Place: Gurugram

INDEPENDENT AUDITOR'S REPORT

To the Members of V-Mart Retail Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of V-Mart Retail Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to note no. 46 to the Ind AS financial statement, which describes the uncertainties and impact of COVID-19 pandemic on the Company's operations and results as assessed by the management. Our opinion in is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
Valuation of inventory with respect to estimated markdown due to slow moving and obsolete inventories (including shrinkage) (as described in Note 31, 42 and 46 of the financial statements)	
As at March 31, 2022, the carrying value of inventories (including packing material and accessories) amounted to ₹ 66,822.28 lakhs after considering markdown on account of slow moving, obsolete inventory and shrinkage of ₹ 3,247 lakhs. The prevalent financial, economic and health crisis caused due to Covid-19 has impacted the business operations of the Company having consequential impact on the assessment with respect to estimated markdown due to slow moving and obsolete inventories. Accordingly, the Company has assessed inventory levels at warehouse and stores, and further, evaluated the process of determining the markdown to be made to the inventory including shrinkage.	Our audit procedures included the following: • We obtained an understanding, evaluated the design and tested the operational effectiveness of controls over receipt, sorting, tagging and dispatch of inventories to various stores, maintenance of stock records and assessment of carrying value of inventory including markdown. • We obtained ageing of inventory and tested on sample basis the ageing and have obtained calculation for inventory markdown. • We have reperformed calculation of inventory markdown as per the policy of the Company basis the historic and anticipated sales trend.
Such assessment involves significant estimates, such as management expectations of forecast inventory demand, anticipated future recoverability of such inventory items, the estimated costs to sell and potential impact of Covid-19 (if any). Since, it involves significant management's judgement and estimate during the year, this area has been determined as Key Audit Matter.	• We have assessed the evaluation of markdown and estimated loss on account of shrinkage based on factors such as historical and anticipated sales performance of the products and average value of inventory loss from last inventory count as a % of sales respectively. • We have obtained management representation in respect of control over inventory count procedures and appropriateness of management assessment for estimated markdown due to slow moving and obsolete inventories (including shrinkage) • We assessed the adequacy of the disclosures concerning this in Note 31 on significant accounting estimates and judgements and Note 42 to the financial statements.
Accounting for acquisition of assets from a third party (as described in Note 45 of the financial statements)	
The Company pursuant to 'Asset Transfer Agreement' acquired certain assets and other agreements/ arrangements from a third party during the year. The purchase consideration for the transaction is ₹ 16,895.10 lakhs (net off recoveries as per the terms of ATA and other agreements as mentioned above, excluding GST). The management has identified acquisition cost of various assets which largely comprises of fixed assets, inventories and security deposits and some others with the relevant supporting documents and registers obtained from the seller. The Company has performed physical verification of Fixed Assets and inventories and obtained assignment of lease deeds in its favour. The Company has obtained Chartered engineer certificate to confirm the life of the assets. The Company has also appointed an independent valuer to re-confirm the value of fixed and inventories purchased from the seller under the asset transfer agreement. Considering the above transaction as significant event during the year, accounting and involvement of significant judgement and assumptions in value of assets acquired, this has been considered as Key Audit Matter.	Our audit procedures included the following: • We evaluated the Company's accounting policies pertaining to asset acquisitions and assessed compliance with the applicable accounting policies. • Read the Asset Transfer Agreement and other subsequent agreements in relation to the acquisition to obtain an understanding of the transactions and the key terms. • Assessed the accounting treatment in line with the requirements of respective Ind AS's including Ind AS 16 'Property, Plant and Equipment', Ind AS 116 'Leases', Ind AS 2 'Inventories' and reviewed relevant underlying documents. • We have performed procedures and have verified the cost of various assets identified by the management from the supporting records and documentation. • Observed the physical verification conducted by the management in respect of inventories and compared the same with books of accounts and other records. • Obtained the physical verification reports in respect of fixed assets conducted by the management and traced the same from fixed asset register. • Traced the life of fixed assets acquired under the said agreement with the life assessed by chartered engineer • Traced the fair valuation of such fixed assets and inventories provided by the independent expert to the accounting records. • Assessed the competence, capabilities and relevant experience of the experts engaged by the management and evaluated the appropriateness of assumptions and valuation methodology. • Assessed the appropriateness of the disclosures made in the financial statements.

OTHER INFORMATION

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Message from Chairman, Director's report, Management discussion and analysis report and Corporate governance report but doesn't include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 (ii) to the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been paid during the year by the Company. As stated in note 53 to the Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**
Partner
Membership Number: 094421
UDIN: 22094421AJPJMP6860

Place of Signature: New Delhi
Date: May 25, 2022

ANNEXURE

referred to in paragraph under the heading " Report on other legal and regulatory requirements" of our report

RE: V-MART RETAIL LIMITED ("THE COMPANY")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment except for location of few assets which are transferred from one store to another.

(i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(i) (b) All property, plant and equipment have not been physically verified by the management during the year but there is regular programme of verification once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i) (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the financial statements are held in the name of the Company. Certain lease agreements of retail stores are not duly executed in the name of the Company the details of immovable assets at these stores are as follows.

(Amount in ₹ lakhs)

Description of the property	Gross Carrying Value (in ₹ Lakhs)	Net Carrying Value (in ₹ Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Lease hold improvements and immovable fixtures at 22 retail stores	1,400.26	400.32	Lease property on which leasehold improvement is done were held in the name of respective landlords.	No	Various period	The Company is in the process to renew the expired lease agreements with the respective landlords. Refer note 44 for details.

(i) (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2022.

(i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and the procedure for such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory have been noted on such verification and any noted discrepancies have been properly dealt with in the books of account. Inventories lying with third parties have been confirmed by them as at the year end and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such inventory.

(ii) (b) As disclosed in note 52 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of trade receivables and inventory of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/ statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

(Amount in ₹ lakhs)

Quarter ending	Value of Inventory per books of account	Value of Inventory as per quarterly return/ statement	Discrepancy
For each class of current asset			
June 30, 2021	36,507.91	36,628.34	(120.43)
September 30, 2021	56,013.91	59,414.78	(3,400.87)
December 31, 2021	54,653.60	54,535.26	118.34
March 31, 2022	66,751.67	66,822.28	(70.61)

The Company has submitted a revised return based on the revised figures which was duly acknowledged by the banks at the year end.

(iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to promoter as follows:

(Amount in ₹ Lakhs)

	Loans
Aggregate amount granted/ provided during the year	
- Promoter	30
Balance outstanding as at balance sheet date in respect of above cases	
- Promoter	30

Other than above, the Company has not provided any loans, advances in the nature of loans and stood guarantees to Companies, firms, Limited Liability Partnerships or any other parties.

(iii) (b) During the year the loan given to promoter is not prejudicial to the Company's interest. Other than above, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.

(iii) (c) The Company has granted loan during the year to promoter where the schedule of repayment of principal and payment of interest has been stipulated and the repayment of such loan is not due as at March 31, 2022. The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties other than those mentioned in this clause above.

(iii) (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(iii) (e) There were no loans or advance in the nature of loan granted to [companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year.

(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and as explained by the management, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products/ services of the Company.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, sales-tax, value added tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable. The provision relating to duty of custom and duty of excise is not applicable to the Company.

(vii) (b) According to the records of the Company, the dues outstanding of income tax, sales tax, duty of customs and goods and services tax on account of any disputes, are as follows:

Name of Statue	Nature of Dues	Amount (in ₹ lakhs)	Amount paid under protest (in ₹ lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service tax	68.86	37.72	June 1, 2007 to March 31, 2010	The Hon'ble Supreme Court of India
The Income Tax Act, 1961*	Income tax	0.60	-	FY 2008-09	Assistant Commissioner of Income Tax, Kolkata
The Income Tax Act, 1961*	Income tax	4.81	-	FY 2012-13	Commissioner Income Tax (Appeals), Kolkata
The Income Tax Act, 1961	Income tax	97.88	-	FY 2013-14	Commissioner Income Tax (Appeals), Kolkata
The Income Tax Act, 1961*	Income tax	12.57	-	FY 2015-16	Commissioner Income Tax (Appeals), Kolkata
The Income Tax Act, 1961	Income tax	37.98	-	FY 2019-20	Commissioner Income Tax (Appeals), Kolkata
The Income Tax Act, 1961*	Income tax	80.20	-	FY 2016-17	Commissioner Income Tax (Appeals), Kolkata
The Income Tax Act, 1961	Income tax	74.97	-	FY 2011-12	Commissioner Income Tax (Appeals), Kolkata
The Income Tax Act, 1961	Income tax	57.55	-	FY 2017-18	Commissioner Income Tax (Appeals), Kolkata
The Bihar Value Added Tax 2005#	Value added tax	402.79	80.56	FY 2012-13 & FY 2013-14	Joint Commissioner of Commercial tax Patna
The Uttar Pradesh, Value Added Tax 2008	Value added tax	8.76	8.76	FY 2013-14	Mobile Squad Unit -1 Muzaffarnagar
Haryana Value Added Tax Act, 2003	Value added tax	7.54	5.00	FY 2015-16	Haryana High Court
Central Sales Tax Act, 1956	Central Sales Tax	123.58	-	December 1, 2015 to May 31, 2017	Joint Commissioner, Ganjam Range
Uttarakhand Value Added Tax Act, 2005	Value added tax	8.11	-	FY 16-17	Deputy Commissioner, Dehradun
Gujarat Value Added Tax Act, 2003	Value added tax	9.02	-	FY 16-17	Assistant Commissioner, Ahmedabad

*The Company netted off the demand with refund outstanding in books of accounts
Favorable order received subsequent to the year end

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix) (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(ix) (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix) (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(ix) (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) Monies raised during the previous year by the Company by way of QIP (Qualified Institutional Placement) amounting to ₹ 37,499.99 lakhs were applied for the purpose for which they were raised except for ₹ 10,121.72 lakhs (previous year ₹ 35,693.09 lakhs) of idle/surplus funds which were not required for immediate utilization and have been invested in interest bearing liquid instruments and mutual funds payable on demand. The maximum amount of idle/surplus funds invested during the year was ₹ 35,693.09 lakhs, of which ₹ 10,121.72 lakhs was outstanding at the end of the year. The proceeds of the issue (net of related expense of ₹ 463.17 lakhs) are augment to meet the future expansion plans of the Company, which includes funding towards expansion of store network, including warehousing facilities and related land acquisition, funding digital initiatives, general corporate purposes, other corporate exigencies, including but not limited to the refurbishment and renovation of existing stores. The Company did not raise any money by way of further public offer (including debt instruments) during the year.

(x) (b) According to the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company and hence not commented upon.

(xi) (a) According to the information and explanations given by the management, no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(xi) (b) According to the information and explanations given by the management, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi) (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi) (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 51 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 26 to the financial statements.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**
Partner
Membership Number: 094421
UDIN: 22094421AJPJMP6860

Place of Signature: New Delhi
Date: May 25, 2022

ANNEXURE

to the Independent Auditor's Report of Even Date on the Financial Statements of V-Mart Retail Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to financial statements of V-Mart Retail Limited ["the Company"] as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**
Partner
Membership Number: 094421
UDIN: 22094421AJPJMP6860

Place of Signature: New Delhi
Date: May 25, 2022

BALANCE SHEET as at March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	**27,949.18**	17,578.55
Capital work in progress	3	**637.85**	219.04
Intangible assets	4	**320.70**	275.74
Right-of-use assets	44	**82,827.17**	51,799.87
Financial assets			
Investments	5	**378.24**	361.95
Other financial assets	8	**3,698.67**	1,426.40
Deferred tax assets (net)	9	**3,862.67**	2,527.17
Other non-current assets	10	**438.97**	272.59
		120,113.45	**74,461.31**
Current assets			
Inventories	11	**66,822.28**	42,830.74
Financial assets			
Investments	6	**12,106.21**	31,536.41
Loans	7	**51.82**	6.69
Cash and cash equivalents	12	**3,303.55**	2,379.95
Other bank balances	13	**202.12**	367.29
Other financial assets	8	**18.60**	7,096.46
Other current assets	10	**7,330.00**	3,975.23
		89,834.58	**88,192.77**
		209,948.03	**162,654.08**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	**1,974.95**	1,970.61
Other Equity	15	**82,986.85**	80,552.06
		84,961.80	**82,522.67**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	44	**84,293.92**	53,078.46
Employee benefit obligations	18	**1,086.20**	734.27
		85,380.12	**53,812.73**
Current liabilities			
Financial liabilities			
Lease liabilities	44	**5,926.24**	3,701.90
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	16	**6,134.07**	5,588.69
b) total outstanding dues of creditors other than micro enterprises and small enterprises	16	**22,923.07**	13,579.51
Other financial liabilities	17	**2,120.97**	1,020.25
Employee benefit obligations	18	**413.20**	320.66
Liabilities for current tax (net)	18	**1,160.50**	1,211.78
Other current liabilities	19	**928.06**	895.89
		39,606.11	**26,318.68**
		209,948.03	**162,654.08**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. F10732

Place: New Delhi
Date: May 25, 2022

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
REVENUE			
Revenue from contracts with customers	20	**166,617.73**	107,546.06
Other income	21	**769.27**	1,832.84
Finance income	22	**626.44**	271.14
Total Revenues (I)		**168,013.44**	**109,650.04**
EXPENSES			
Purchase of traded goods	23	**133,102.90**	67,395.47
(Increase) / decrease in inventories of traded goods	24	**(23,991.54)**	4,961.50
Employee benefits expense	25	**17,960.00**	11,688.09
Finance costs	27	**7,719.24**	5,894.53
Depreciation and amortization expense	28	**13,069.66**	10,297.14
Other expenses	26	**19,113.51**	10,379.79
Total Expenses (II)		**166,973.77**	**110,616.52**
Profit / (Loss) before tax (III)=(I) - (II)		**1,039.67**	**(966.48)**
Tax expense			
Current tax (including earlier years)	29	**1,148.24**	569.42
Deferred tax (credit)	29	**(1,272.64)**	(915.60)
Total tax expense (IV)		**(124.40)**	**(346.18)**
Profit / (loss) for the year (V)=(III)-(IV)		**1,164.07**	**(620.30)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		**(249.77)**	(41.07)
Income tax on above	29	**62.86**	10.34
Total other comprehensive (loss) (VI)		**(186.91)**	**(30.73)**
Total comprehensive income / (loss) for the year (VII)=(V)+(VI)		**977.16**	**(651.03)**
Earnings/(loss) per share [nominal value of share ₹ 10 (March 31, 2021 : ₹ 10)]	30		
Basic		**5.90**	(3.37)
Diluted		**5.88**	(3.37)
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. F10732

Place: New Delhi
Date: May 25, 2022

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

A. EQUITY SHARE CAPITAL

	No.	Amount
Balance as at April 1, 2020	18,155,484	1,815.55
Issue of equity share capital under Employee Stock Option Scheme	20,047	2.00
Issue of equity share capital under Qualified Institutional Placement (QIP)	1,530,612	153.06
Balance as at March 31, 2021	19,706,143	1,970.61
Issue of equity share capital under Employee Stock Option Scheme	43,311	4.33
Balance as at March 31, 2022	**19,749,454**	**1,974.94**

B. OTHER EQUITY

Particulars (refer note 15)	Securities premium reserve	Amalgamation reserve	Retained earnings	Shares option outstanding account	Total
Balance as at April 1, 2020	9,544.20	154.76	33,801.87	576.81	44,077.64
(Loss) for the year	-	-	(620.30)	-	(620.30)
Other comprehensive loss (Remeasurement of defined benefit obligations)	-	-	(30.73)	-	(30.73)
Recognition of share based payment expenses	-	-	-	149.47	149.47
Transfer from share option outstanding account on exercise of options	42.30	-	-	(42.30)	-
Security premium received on account of issue of shares under Qualified Institutional Placement (QIP)	37,346.93		-		37,346.93
Share issue expenses (refer note - 14)	-	-	(463.17)	-	(463.17)
Received during the year against issue of shares to employees under ESOP scheme	92.22	-	-	-	92.22
Balance as at March, 2021	**47,025.65**	**154.76**	**32,687.67**	**683.98**	**80,552.06**
Profit for the year	-	-	1,164.07	-	1,164.07
Other comprehensive loss (Remeasurement of defined benefit obligations)	-	-	(186.91)	-	(186.91)
Recognition of share based payment expenses	-	-	-	703.77	703.77
Transfer from share option outstanding account on exercise of options	327.03	-	-	(327.03)	-
Received during the year against issue of shares to employees under ESOP scheme	753.86	-	-	-	753.86
Balance as at March 31, 2022	**48,106.54**	**154.76**	**33,664.83**	**1,060.72**	**82,986.85**
Summary of significant accounting policies		2.2			

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date
For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. F10732

Place: New Delhi
Date: May 25, 2022

CASH FLOW STATEMENT

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

		Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Operating activities**			
	Profit / (loss) before Income tax		**1,039.67**	(966.48)
	Adjustments to reconcile profit before tax to net cash flows:			
	Depreciation and amortization expense		**13,069.66**	10,297.14
	Finance costs		**7,719.24**	5,894.53
	Loss on sale / write-off of property, plant and equipment/ Capital work-in-progress		**169.85**	116.23
	Impairment allowance for allowances		**-**	22.77
	Balances written off [net off provision of ₹ 40.89 lakhs (March 31, 2021: ₹23.81 lakhs)]		**4.03**	7.88
	Employee stock option expense		**703.77**	149.47
	Interest income		**(626.44)**	(271.14)
	Profit on sale of investments (net)		**(566.16)**	(55.59)
	Rent Concession on lease rentals (refer note 47)		**(1,583.79)**	(1,573.84)
	Loss/ (income) on investment designated at FVTPL		**6.11**	(132.72)
	Liabilities no longer required written back		**(30.10)**	(26.86)
	Operating profit before working capital changes		**19,905.84**	**13,461.39**
	Changes in working capital :			
	(Increase) in financial assets		**(3,476.26)**	(189.66)
	(Increase) in other assets		**(3,359.25)**	(993.11)
	(Increase) / decrease in inventories		**(23,991.54)**	4,961.50
	Increase / (decrease) in trade payables		**9,919.04**	(483.91)
	Increase / (decrease) in other financial liabilities		**464.87**	(1,476.01)
	Increase / (decrease) in other liabilities		**398.58**	(149.55)
	Increase in provisions		**194.70**	146.68
	Cash flow from operations		**55.98**	**15,277.33**
	Taxes paid (net of refunds)		**(1,181.21)**	(348.16)
	Net cash (used in)/ flow from operating activities (A)		**(1,125.23)**	**14,929.17**
B.	**Investing activities**			
	Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances		**(15,115.77)**	(4,101.86)
	Proceeds from sale of property, plant and equipment		**180.38**	44.80
	Purchase of investments		**(59,181.34)**	(54,828.37)
	Proceeds from sale of investments		**79,155.30**	23,907.73
	Interest received		**538.89**	110.88
	Movement in fixed deposits (including earmarked balances with bank net of liabilities)		**6,789.64**	(7,008.78)
	Net cash flow from / (used in) investing activities (B)		**12,367.10**	**(41,875.60)**

CASH FLOW STATEMENT

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

		Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
C.	**Financing activities**			
	Proceeds from issue of equity shares including securities premium (net of share issue expenses)		**758.19**	37,131.05
	Repayment of long term borrowings		**-**	(2.60)
	Repayment of short term borrowings		**-**	(104.65)
	Lease payments (net off lease concession)		**(3,485.70)**	(2,440.70)
	Finance charges on lease liabilities		**(7,666.39)**	(5,663.90)
	Finance charges - others		**(52.85)**	(230.77)
	Net cash (used in) / flow from financing activities (C)		**(10,446.75)**	**28,688.43**
D.	**Net increase in cash and cash equivalents (A+B+C)**		**795.12**	1,742.00
E.	**Cash and cash equivalents at the beginning of the year**		**2,222.83**	480.83
F.	**Cash and cash equivalents at the end of the year (D+E)**		**3,017.95**	2,222.83
	Components of cash and cash equivalents	**12**		
	Balances with banks		**48.24**	33.33
	- on current account		**601.48**	499.66
	- on cash credit account		**2,000.00**	1,366.83
	- Deposits with original maturity of less than three months		**368.23**	323.01
	Cash on hand		**3,017.95**	**2,222.83**
	Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. F10732

Place: New Delhi
Date: May 25, 2022

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

1 CORPORATE INFORMATION

V-Mart Retail Limited (the 'Company'), incorporated on July 24, 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.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial Statements.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Defined benefit plans-plan assets measured at fair value,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Share Based Payments

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The financial statements are presented in Rupees (₹) and all values are rounded to the nearest lakhs (₹ 100,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

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

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Company classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

b. Foreign Currencies

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information is presented in "lakhs", except where otherwise stated.

Transactions in foreign currencies are initially recorded by the Company's at functional currency spot rates at the date the transaction first qualifies

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

for recognition. However, for practical reasons, the Company uses rate at the beginning of each month which is approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

c. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given below.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case

Disclosure for valuation method, significant estimates and assumption

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. 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.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions (notes 31 and 40 and 41)

Quantitative disclosures of fair value measurement hierarchy (note 41)

d. Revenue from contract with customer

Revenue from contract with customer 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. Revenue from contract with customer is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. 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 risk.

Sale of goods:

Revenue from sale of goods is recognised on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained. 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. It is the Company's policy to sell its products to the end customers with a right of return within 7 days. Historical experience is used to estimate and provide for such returns at the time of sales. 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 risk.

Interest Income:

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.

Contract balances

Contract liabilities

A contract liability is recognised when the Company is under an obligation to redeem discount coupon, credit vouchers etc given to customer on existing sales. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer). Refund liabilities - A refund liability is recognised for the obligation to refund some or all of

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

the consideration received (or receivable) from the customer. The Company's refund liabilities arise from customers' right of return and volume rebates. The Company updates its estimates of refund liabilities at the end of each reporting period.

There are no Contract Assets and trade receivables as Company operates retail stores and there is no credit sales or other receivables from customers.

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability In a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Freehold land is carried at Cost. Plant and equipment 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. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

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

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

h. Depreciation on Property, plant and equipment

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.

Asset 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
Leasehold Improvement / Fittings	5-15 years or lease term whichever is lower	

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

reflect fair approximation of the period over which the assets are likely to be used.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset

Company as a lessee

The Company's lease asset classes primarily comprise of lease for stores, ware house, office premises and plant and machinery and office equipment. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. As practical expedient of Ind AS 116 "Leases", the company has considered Covid-19-related rent concessions not to be lease modification, hence the income towards rent concession is recognised in "Other Income" in the statement of profit and loss account.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use) except for leases existing as on the date of transition to IND AS 116 i.e. April 1, 2019. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Stores, ware house and office premises	9 to 15 years
• Plant and Machinery/ Office equipment	3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (l) Impairment of non-financial assets.

Lease Liabilities

The Company recognises lease liabilities at the present value of lease payments to be made over the remaining lease term effective April 1, 2019. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of rented premises, Plant and machinery and office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k. 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.

l. Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life (including right of use assets).

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment losses are recognized in the statement of profit and loss.

m. Provisions

Provision are recognized when the company has a present obligation (legal or constructive) 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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 recognized as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligations, the provision is reversed.

n. Retirement and other employee benefits

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 recognizes 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 recognized 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 recognized 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 liability is defined benefit plan and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each year. Actuarial gain and loss for defined plan benefit plan is recognized in full in the year in which occur in the statement of profit and loss.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Accumulated leave, which are expected to be utilized within the next twelve months are 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 unused entitlement that has accumulated at that reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-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 same is presented as non-current liability.

Remeasurement, comprising of 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 recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

(a) The date of the plan amendment or curtailment, and

(b) The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(b) Net interest expense or income

o. 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.

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. The expense or credit in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

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.

p. 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

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Initial recognition and measurement

All financial assets are recognized 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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss) or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortized cost using the effective interest rate (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 EIR. The EIR amortisation 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.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized 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'). The Company has not designated any debt instrument as at FVTPL.

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

Investments

Investments in mutual fund are measured at FVTPL.

Equity investments

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 AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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 recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financials assets) is primarily derecognised (i.e. removed from the company's balance sheet) when :

(i) The rights to receive cash flows from the assets have expired , or

(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

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 fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Derecognition

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 derecognition 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 or loss.

Offsetting of financial instruments:

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

q. Segment reporting

Identification of segments:

Business segment:

The company operates in single segment of retails of readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India.

Geographical segment:

The analysis of geographical segments is based on the geographical location of the customers. The company operates in single geographical segment i.e. India.

r. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of Company's cash management.

s. Cash dividend and non-cash 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.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

t. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.3 change in accounting policies and dicslosure

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) **Amendments to Ind AS 116: Covid-19-Related Rent Concessions.**

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 1, 2021. The amendment has significant impact on accounting of leases as per Ind AS 116 and the same has been disclosed in note 47 of the financial statements.

(ii) **Amendments to Ind AS 103 Business Combinations.**

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

This amendment had no impact on the financial statements of the Company but may impact future periods should the Company enter into any business combinations.

(iii) **Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Company.

(iv) **Conceptual framework for financial reporting under Ind AS issued by ICAI**

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards. The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS .includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Liabilities and Contingent Assets etc. The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after April 1, 2021. These amendments had no impact on the financial statements of the Company.

(v) **Amendments to the Schedule III of the Companies Act, 2013**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The above disclosure amendments were extensive and the appropriate effect (to the extent applicable) to them, as required by law has been given in the financial statements of the Company.

2.4 New and amended disclosures, not yet effective

The Ministry of Corporate Affairs (MCA) in consultation with National Financial Reporting Authority (NFRA) vide its notification dated 23 March 2022, has made certain amendments in Companies (Indian Accounting Standard Rules), 2015. Such amendments shall come into force with effect from April 1, 2022, but do not have a material impact on the financial statements of the Company:

(i) **Ind AS 103: Business combination**

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

This amendment may impact future periods should the Company enter into any business combinations.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

(ii) **Ind AS 37: Provisions, Contingent Liabilities, and Contingent Assets**

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

(iii) **Ind AS 109: Financial Instruments**

The amendment clarifies the fees in the '10 per cent' test for derecognition of financial liabilities, that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The Company does not expect the amendments to have any material impact on the financial statements of the Company.

(iv) **Ind AS 16: Property, Plant and Equipment**

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The Company does not expect the amendments to have any impact on the financial statements of the Company.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Plant and machinery	Office Equipment	Leasehold Improvement	Computers	Furniture and fixtures	Vehicles	Freehold Land	Total
Cost or valuation								
As at April 1, 2020	**11,068.71**	**710.22**	**428.52**	**1,328.04**	**12,234.04**	**267.32**	**-**	**26,036.85**
Additions during the year	1,122.47	57.40	75.50	84.09	1,425.05	18.51	1,335.43	4,118.45
Disposals/ adjustments	(330.54)	(20.20)	(8.99)	(14.08)	(245.66)	(5.49)	-	(624.96)
As at March 31, 2021	**11,860.64**	**747.42**	**495 .03**	**1,398.05**	**13,413.43**	**280.34**	**1,335 .43**	**29,530.34**
Additions during the year (Also refer note no 45)	3,985.34	224.59	1,413.15	518.97	5,866.97	9.30	2970.75	14,989.07
Disposals/ adjustments	(498.42)	(8.93)	(92.17)	(2.59)	(456.44)	-	-	(1,058.55)
As at March 31, 2022	**15,347.56**	**963.08**	**1,816.01**	**1,914.43**	**18,823.96**	**289.64**	**4,306.18**	**43,460.86**
Depreciation								
As at April 1, 2020	**4,315.84**	**380.20**	**63.91**	**687.91**	**3,397.33**	**64.51**	**-**	**8,909.70**
Depreciation charge for the year	1,554.13	114.24	39.95	256.93	1,542.45	37.08	-	3,544.78
Disposals/adjustments	(244.55)	(32.31)	(6.38)	(26.50)	(189.46)	(3.49)	-	(502.69)
As at March 31, 2021	**5,625.42**	**462.13**	**97.48**	**918.34**	**4,750.32**	**98.10**	**-**	**11,951.79**
Depreciation charge for the year	1,751.43	127.23	182.34	271.45	1,902.50	33.26	-	4,268.21
Disposals/adjustments	(395.03)	(4.24)	(21.60)	(1.32)	(286.13)	-	-	(708.32)
As at March 31, 2022	**6,981.82**	**585.12**	**258.22**	**1,188.47**	**6,366.69**	**131.36**	**-**	**15,511.68**
Net book value								
As at March 31, 2021	**6,235.22**	**285.29**	**397.55**	**479.71**	**8,663.11**	**182.24**	**1,335.43**	**17,578.55**
As at March 31, 2022	**8,365.74**	**377.96**	**1,557.79**	**725.96**	**12,457.27**	**158.28**	**4,306.18**	**27,949.18**

(i) Contractual obligations

Refer note 32 (i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Capitalised borrowing cost

No borrowing costs were capitalised during the current year and previous year.

(iii) Property plant and equipment pledged as security

Refer note 43 for assets under pledge

(iv) Assets not held in the name of the Company / leases not duly executed in favour of the Company

Description of the property	Gross Carrying Value	Net Carrying Value	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Lease hold improvements and immovable fixtures at 22 retail stores	1,400.26	400.32	Lease property on which leasehold improvement is done were held in the name of respective landlords.	No	Various period	The Company is in the process to renew the expired lease agreements with the respective landlords. Refer note 44 for details.

(v) On transition to Ind AS (i.e. April 1, 2015), the Company elected to continue with the carrying value of all Property, plant and equipment measured as per previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Capital work-in-progress

Particulars	March 31, 2022	March 31, 2021
Capital work in progress*	637.85	219.04

*Capital work-in-progress(CWIP) Ageing schedule

As at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) projects in progress	605.12	18.30	14.43	-	637.85
(b) projects temporarily suspended	-	-	-	-	-

As at March 31, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) projects in progress	204.62	14.42	-	-	219.04
(b) projects temporarily suspended	-	-	-	-	-

4 INTANGIBLE ASSETS

Particulars	Computer software	Total
Cost		
As at April 1, 2020	**703.62**	**703.62**
Additions during the year	38.70	38.70
Disposals/adjustments	(31.55)	(31.55)
As at March 31, 2021	**710.77**	**710.77**
Additions during the year	159.51	159.51
Disposals / adjustments	-	-
As at March 31, 2022	**870.28**	**870.28**
Amortization		
As at April 1, 2020	**337.75**	**337.75**
Charge for the year	112.72	112.72
Disposals / adjustments	(15.44)	(15.44)
As at March 31, 2021	**435.03**	**435.03**
Charge for the year	114.55	114.55
As at March 31, 2022	**549.58**	**549.58**
Net Block		
As at March 31, 2021	**275.74**	**275.74**
As at March 31, 2022	**320.70**	**320.70**

(i) Contractual obligations

Refer note 32 (i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Capitalised borrowing cost

No borrowing costs were capitalised during the current year and previous year.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

(iii) Property plant and equipment pledged as security

Refer note 43 for assets under pledge

(iv) On transition to Ind AS (i.e. April 1, 2015), the Company elected to continue with the carrying value of all Property, plant and equipment measured as per previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

5 INVESTMENTS - NON-CURRENT

	As at March 31, 2022	As at March 31, 2021
Investment in mutual funds (fully paid-up) - Un-quoted (Measured at fair value through profit or loss)		
SBI Debt Fund Series C-48 (1177 days) - Direct Growth	378.24	361.95
3,000,000 (March 31, 2021: 3,000,000) units of ₹ 10 (March 31, 2021: ₹ 10) each		
Total	**378.24**	**361.95**
Aggregate amount of book value of un-quoted investments	**378.24**	**361.95**
Aggregate amount of market value of un-quoted investments	**378.24**	**361.95**

6 INVESTMENTS - CURRENT

	As at March 31, 2022	As at March 31, 2021
Investment in mutual funds (fully paid-up) - Un- quoted (Measured at fair value through profit or loss)		
Aditya Birla Sun Life Nifty SDL PSU Bond Index Fund- Growth 178,61,389 (March 31, 2021: Nil) units of ₹ 10 (March 31, 2021: ₹ Nil) each	1,817.63	-
Aditya Birla Sun Life Savings Fund Direct Plan Growth Nil (March 31, 2021: 330,665.01) units of ₹100 (March 31, 2021: ₹ 100) each	-	1,411.40
Aditya Birla Sunlife Banking and PSU Debt Plan Direct Growth 164,976 (March 31, 2021 : 158,434.84) units of ₹100 (March 31, 2021: ₹ 100) each	502.07	459.02
Aditya Birla Sunlife Cash Plus - Growth Direct Plan Nil (March 31, 2021: 296,183.39) units of ₹100 (March 31, 2021: ₹ 100) each	-	981.95
Axis Banking and PSU Debt Fund Direct Plan Growth 16,748 (March 31, 2021 : 43,126) units of ₹1,000 (March 31, 2021 : ₹1,000) each	366.29	904.68
Axis Liquid Fund Direct Plan Growth Nil (March 31, 2021 : 103,578.12) units of ₹1,000 (March 31, 2021 : ₹1,000) each	-	2,366.54
Axis Overnight Fund Direct Plan Growth Nil (March 31, 2021 : 61,739.86) units of ₹1,000 (March 31, 2021 : ₹1,000) each	-	671.68
Axis Treasury Advantage Fund Direct Plan Growth Nil (March 31, 2021 : 23,115.09) units of ₹1,000 (March 31, 2021 : ₹1,000) each	-	573.85
Canara Robeco Liquid Fund Direct Plan Growth Nil (March 31, 2021 : 81,209.73) units of ₹1,000 (March 31, 2021 : ₹1,000) each	-	2,003.44
Canara Robeco Overnight Fund Direct Plan Growth Nil (March 31, 2021 : 94,301.11) units of ₹1,000 (March 31, 2021 : ₹1,000) each	-	1,005.01

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
DSP Liquidity Fund Direct Plan Growth Nil (March 31, 2021 : 115,883.30) units of ₹1,000 (March 31, 2021 : ₹1,000) each	-	3,408.31
DSP Overnight Fund Direct Plan Growth Nil (March 31, 2021 : 54,906.22) units of ₹ 1,000 (March 31, 2021 : ₹ 1,000) each	-	605.20
HDFC liquid Fund Direct Plan Growth Nil (March 31, 2021 : 50,847.46) units of ₹ 1,000 (March 31, 2021 : ₹ 1,000) each	-	2,057.05
HDFC Money Market Fund - Direct Plan - Growth Option Nil (March 31, 2021 : 8,786.61) units of ₹ 1,000 (March 31, 2021 : ₹ 1,000) each	-	393.11
ICICI Prudential Liquid Fund Direct Plan Growth (Erstwhile ICICI Prudential Liquid) Nil (March 31, 2021 : 296,457.15) units of ₹100 (March 31, 2021 : ₹100) each	-	903.41
ICICI Prudential Short Term Fund Direct Plan Growth Option Nil (March 31, 2021 : 2,274,904.31) units of ₹ 10 (March 31, 2021 : ₹10) each	-	1,106.04
IDFC Cash Fund Direct Plan Growth Nil (March 31, 2021 : 17,296.20) units of ₹ 1,000 (March 31, 2021 : ₹1,000) each	-	429.98
IDFC Low Duration Fund Direct Plan Growth (Erstwhile IDFC Ultra Short Term) Nil (March 31, 2021: 1,872,593.97) units of ₹ 10 (March 31, 2021 : ₹10) each	-	574.10
Kotak Bond Short Term Fund Direct Plan Growth (Erstwhile Kotak Bond Short Term Plan Direct Plan Growth 2,767,231 (March 31, 2021: 2,082,106.53) units of ₹ 10 (March 31, 2021 : ₹10) each	1,264.51	905.26
Kotak Liquid Fund Direct Plan Growth(Erstwhile Kotak Liquid - Direct Plan Growth Nil (March 31, 2021 : 22,260.66) units of ₹ 1,000 (March 31, 2021 : ₹1,000) each	-	925.83
Kotak Overnight Fund Nil units (March 31, 2021 : 27,375.30) units of ₹ 1,000 (March 31, 2021 : ₹1,000) each	-	300.56
Kotak Saving Fund - Direct Plan - Growth Nil units (March 31, 2021 : 1,237,184.22) units of ₹ 10 (March 31, 2021 : ₹10) each	-	429.09
L&T Arbitrage Opportunities Fund 43,53,639.49 (March 31, 2021: 6,432,208.56) units of ₹ 10 (March 31, 2021 : ₹10) each	707.42	1,002.47
L&T Liquid Fund Direct Plan Growth Nil (March 31, 2021 : 32,045.15) units of ₹ 1,000 (March 31, 2021 : ₹1,000) each	-	903.33
L&T Overnight Fund Nil (March 31, 2021 : 40.83) units of ₹ 1,000 (March 31, 2021 : ₹1,000) each	-	0.66
L&T Short Term Bond Fund Direct Plan Growth (Erstwhile L&T Short Term Opportunities Fund) 583,922.99 (March 31, 2021: 5,106,512.55) units of ₹ 10 (March 31, 2021 : ₹10) each	132.03	1,105.57
SBI Liquid Fund Direct Plan Growth (Erstwhile SBI Premier Liquid) Nil (March 31, 2021: 51,868.34) units of ₹ 1,000 (March 31, 2021 : ₹1,000) each	-	1,671.10
SBI Magnum Ultra Short Duration Fund-Direct Growth Nil (March 31, 2021 : 942.74) units of ₹ 1,000 (March 31, 2021 : ₹1,000) each	-	44.49
SBI Overnight Fund Direct Plan Growth (Erstwhile SBI Magnum Insta Cash Liquid Floater) Nil (March 31, 2021 : 33,925.46) units of ₹ 1,000 (March 31, 2021 : ₹1,000) each	-	1,137.19

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Tata Arbitrage Fund Direct Plan Growth 2,435,547.76 (March 31, 2021: 10,773,831.03) units of ₹ 10 (March 31, 2021 : ₹10) each	291.91	1,235.86
Tata Liquid Fund Direct Plan Growth	-	369.96
Nil (March 31, 2021 : 11,391.68) units of ₹ 1,000 (March 31, 2021 : ₹1,000) each		
Tata Overnight Fund Nil (March 31, 2021 : 30.21) units of ₹ 1,000 (March 31, 2021 : ₹1,000) each	-	0.33
BHARAT Bond FOF - April 2025 - Direct Plan Growth 4,639,235.056 (March 31, 2021: Nil) units of ₹ 10 (March 31, 2021 : ₹10) each	501.51	-
Edelweiss Arbitrage Fund - Direct Plan Growth 7,611,910.57 (March 31, 2021:Nil) units of ₹ 10 (March 31, 2021 : ₹10) each	1,254.71	-
IDFC Gilt 2027 Index Fund Direct Plan-Growth 3,335,072.40 (March 31, 2021:Nil) units of ₹ 10 (March 31, 2021 : ₹10) each	352.32	-
Invesco India Money Market Fund - Direct Plan Growth 17,779.06 (March 31, 2021:Nil) units of ₹ 1,000 (March 31, 2021 : ₹1,000) each	451.76	-
Invesco India Money Market Fund - Growth 161,92.43 (March 31, 2021:Nil) units of ₹ 1,000 (March 31, 2021 : ₹1,000) each	401.15	-
Nippon India Arbitrage Fund - Direct Growth Plan Growth Option 4,610,859.74 (March 31, 2021:Nil) units of ₹ 10 (March 31, 2021 : ₹10) each	1,052.57	-
SBI Magnum Insta Cash Fund 764.19 (March 31, 2021:Nil) units of ₹ 1,000 (March 31, 2021 : ₹1,000) each	37.42	-
UTI Arbitrage Fund - Growth 4,590,816.91 (March 31, 2021:Nil) units of ₹ 10 (March 31, 2021 : ₹10) each	1,364.69	-
Total (I)	**10,497.99**	**29,886.47**
Investment in bonds / commercial papers (fully paid-up) - Un-quoted (Measured at amortised cost)		
ICICI perpetual Bond 10 (March 31, 2021:Nil) units of ₹1,000,000 (March 31, 2021:₹1,000,000) each	105.97	-
HDFC perpetual Bond 150 (March 31, 2021:150) units of ₹1,000,000 (March 31, 2021:₹1,000,000) each	1,502.25	1,649.94
Infrastructure Leasing & Financial Services Commercial Paper		
100,000 (March 31, 2021: 100,000) units [At cost less Impairment of investment of ₹979.94 lakhs (March 31, 2021: ₹ 979.94 lakhs)] - Refer note below	-	-
Total (II)	**1,608.22**	**1,649.94**
Total (I+II)	**12,106.21**	**31,536.41**
Aggregate amount of book value of un-quoted investments (net of Impairment loss)	**12,106.21**	31,536.41
Aggregate amount of market value of un-quoted investments (net of Impairment loss)	**12,106.21**	31,536.41
Aggregate Impairment in value of investments	**979.94**	979.94

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

7 LOANS

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured considered good unless otherwise stated (Measured at amortised cost)				
Loan to employees / directors*	-	-	**51.82**	6.69
	-	-	**51.82**	**6.69**

*includes loan and interest thereon amounting to ₹ 30.70 lakhs given to promotor director, repayable within six months from the date of grant of such loan and carries a rate of interest of 10%.

8 OTHER FINANCIAL ASSETS

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured considered good unless otherwise stated (Measured at amortised cost)				
Security deposits (refer note 45)				
Considered good #	**3,547.80**	1,283.38	**16.41**	47.36
Credit Impaired	-	-	**6.40**	10.53
	3,547.80	1,283.38	**22.81**	57.89
Less: Impairment allowance for security deposits	-	-	**(6.40)**	(10.53)
	3,547.80	1,283.38	**16.41**	47.36
Margin money deposits^	**145.82**	134.46	-	-
Deposits with remaining maturity of less than twelve months	-	-	-	7,000.00
Interest accrued on margin money deposits	**5.05**	8.56	-	-
Interest accrued on bank deposits	-	-	**2.19**	49.10
	3,698.67	**1,426.40**	**18.60**	**7,096.46**

^ Margin money deposits of ₹145.82 Lakhs (March 31, 2021 : ₹ 134.46 Lakhs) are pledged as bank guarantees issued to various tax authorities, Skill Development Authority (for Deen Dayal Upadhyaya Grameen Kaushalya Yojana) and for cash credit facilities with banks.

Also Refer Note 45 for the detail of the security deposit acquired as part of the assset acquisition transaction.

9 DEFERRED TAX ASSETS (NET)

	As at March 31, 2022	As at March 31, 2021
Tax effect of items constituting deferred tax liabilities		
Right-of-use assets	**20,330.99**	**12,975.33**
Fair valuation of interest free security deposits	**85.45**	50.72
Measurement of financial assets at fair value through profit and loss	**43.12**	41.59
Others	**5.03**	21.21
(A)	**20,464.59**	**13,088.85**
Tax effect of items constituting deferred tax assets		
Lease liability	**22,706.61**	14,290.48
Difference between accounting base and tax base of property, plant and equipment	**1,197.41**	1,011.25
Employee benefits	**377.37**	265.51
Provision for doubtful advances	**25.97**	36.26
	19.90	12.52
(B)	**24,327.26**	**15,616.02**
Net deferred tax assets (B)-(A)	**3,862.67**	**2,527.17**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Movement in deferred tax assets/(liabilities) for year ended March 31, 2022

Particulars	As at March 31, 2021	Recognised in statement of profit and loss	Recognized in other comprehensive income	As at March 31, 2022
Tax effect of items constituting deferred tax liabilities				
Right-of-use assets	12,975.33	7,355.66	-	**20,330.99**
Fair valuation of interest free security deposits	50.72	34.73	-	**85.45**
Measurement of financial assets at fair value through profit and loss	41.59	1.53	-	**43.12**
Others	21.21	(16.18)	-	**5.03**
Deferred tax liabilities (A)	**13,088.85**	**7,375.74**	**-**	**20,464.59**
Tax effect of items constituting deferred tax assets				
Lease liability	14,290.48	8,416.13	-	**22,706.61**
Difference between accounting base and tax base of property, plant and equipment	1,011.25	186.16	-	**1,197.41**
Employee benefits	265.51	49.00	62.86	**377.37**
Provision for doubtful advances	36.26	(10.29)	-	**25.97**
Others	12.52	7.38	-	**19.90**
Deferred tax assets (B)	**15,616.02**	**8,648.38**	**62.86**	**24,327.26**
Net deferred tax assets (B)-(A)	**2,527.17**	**1,272.64**	**62.86**	**3,862.67**

Movement in deferred tax assets/(liabilities) for year ended March 31, 2021

Particulars	As at March 31, 2020	Recognised in statement of profit and loss	Recognized in other comprehensive income	As at March 31, 2021
Tax effect of items constituting deferred tax liabilities				
Right-of-use assets	12,385.44	589.89	-	12,975.33
Fair valuation of interest free security deposits	22.94	27.78	-	50.72
Measurement of financial assets at fair value through profit and loss	8.18	33.41	-	41.59
Others	-	21.21	-	21.21
Deferred tax liabilities (A)	**12,416.56**	**672.29**	**-**	**13,088.85**
Tax effect of items constituting deferred tax assets				
Lease liability	12,978.24	1,312.24	-	14,290.48
Difference between accounting base and tax base of property, plant and equipment	780.80	230.45	-	1,011.25
Employee benefits	218.25	36.92	10.34	265.51
Provision for doubtful advances	40.50	(4.24)	-	36.26
Others	-	12.52	-	12.52
Deferred tax assets (B)	**14,017.79**	**1,587.89**	**10.34**	**15,616.02**
Net deferred tax assets (B)-(A)	**1,601.23**	**915.60**	**10.34**	**2,527.17**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

10 OTHER ASSETS

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured considered good unless otherwise stated				
Capital advances				
Unsecured considered good	**213.63**	29.39	**-**	-
Credit Impaired	**1.50**	1.50	**-**	-
	215.13	**30.89**	**-**	**-**
Less: Impairment Allowance for capital advances	**(1.50)**	(1.50)		
(A)	**213.63**	**29.39**	**-**	**-**
Advances against material and services				
Unsecured considered good	**-**	-	**2,768.54**	2,122.77
Credit Impaired	**-**	-	**95.28**	132.04
	-	**-**	**2,863.82**	**2,254.81**
Less: Impairment Allowance for advances against material and services	**-**	-	**(95.28)**	(132.04)
(B)	**-**	**-**	**2,768.54**	**2,122.77**
Prepaid expenses	**16.67**	26.67	**183.94**	220.76
Advance income tax (net of provisions for tax)	**45.83**	64.14	**-**	-
Deposits paid under protest*	**162.84**	152.39	**-**	-
Balance with government authority	**-**	-	**4,377.52**	1,631.70
(C)	**225.34**	**243.20**	**4,561.46**	**1,852.46**
(A)+(B)+(C)	**438.97**	**272.59**	**7,330.00**	**3,975.23**

*** Deposit paid under protest includes following**

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Value added tax	**119.17**	108.72	**-**	-
Service Tax	**37.69**	37.69	**-**	-
Others	**5.98**	5.98	**-**	-

11 INVENTORIES (VALUED AT LOWER OF COST OR NET REALIZABLE VALUE)*

	As at March 31, 2022	As at March 31, 2021
Traded goods [including stock-in-transit: ₹2,696.05 lakhs (March 31, 2021: ₹1,893.67)]	**66,636.17**	42,683.41
Packing and accessories	**186.11**	147.33
	66,822.28	**42,830.74**

*Refer note 42 for details of markdown of inventory. Such markdown is recognized as an expense during the year and included in 'changes in inventories of stock-in-trade in Statement of Profit and Loss. Also, refer note 45 for the detail of inventory acquired in the asset acquisition transaction.

The above inventory does not includes inventory lying at its stores and warehouse of which risk and reward of such inventory is held by third party amounting to ₹ 1,804.10 lakhs (March 31, 2021: ₹ Nil). The Company recognises only margin as agreed on sale of such inventory as other operating income under head "Revenue from operations". (refer note 20)

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

12 CASH AND CASH EQUIVALENTS

	Current	
	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- on current account	48.24	33.33
- on cash credit account	601.48	499.66
- Deposits with original maturity of less than three months	2,000.00	1,366.83
Other receivables^	285.60	157.12
Cash on hand	368.23	323.01
	3,303.55	2,379.95

^ Other receivables includes amount receivable with respect to credit card receivable, electronic wallet, UPI, etc, which is normally received T+1 days.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- on current account	48.24	33.33
- on cash credit account	601.48	499.66
- Deposits with original maturity of less than three months	2,000.00	1,366.83
Cash on hand	368.23	323.01
	3,017.95	2,222.83

Refer note 38 for reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows.

13 OTHER BANK BALANCES

	Current	
	As at March 31, 2022	As at March 31, 2021
Earmarked balances with Bank		
- Government grant under skill development project (refer note 54)	2.64	366.73
- Deposits with original maturity of less than twelve months	199.00	-
- unclaimed dividend account	0.48	0.56
	202.12	367.29

14 EQUITY SHARE CAPITAL

	No. of shares	Amount
Authorised Share Capital		
As at April 1, 2020	20,000,000.00	2,000.00
Increase/(decrease) during the year	5,000,000.00	500.00
As at March 31, 2021	25,000,000.00	2,500.00
Increase/(decrease) during the year	-	-
As at March 31, 2022	**25,000,000.00**	**2,500.00**

During the previous year ended March 31, 2021, the authorised share capital was increased by ₹500 lacs i.e. 50 Lakhs Equity shares of ₹ 10 each.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

a. 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.

b. Issued equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid

	No. of shares	Amount
As at April 1, 2020	18,155,484	1,815.55
Issued during the year	1,550,659	155.06
As at March 31, 2021	19,706,143	1,970.61
Issued during the year	43,311	4.34
As at March 31, 2022	**19,749,454**	**1,974.95**

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.

d. Details of equity shareholders holding more than 5% shares in the Company as at March 31, 2022

Name of the Shareholders	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding	Nos.	% holding
Conquest Business Services Private Limited	7,490,673	37.93%	7,490,673	38.01%
Jwalamukhi Investment Holding	1,407,256	7.13%	1,498,624	7.60%
Lalit M Agarwal (HUF)	1,277,275	6.47%	1,277,275	6.48%

e. Details of shares held by promoters/promoter group

As at March 31, 2022

Shares held by promoters at the end of the year	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Conquest Business Services Private Limited	7,490,673	-	7,490,673	37.93%	-
Lalit M Agarwal (HUF)	1,277,275	-	1,277,275	6.47%	-
Smiti Agarwal	278,365	-	278,365	1.41%	-
Hemant Kumar Agarwal	43	-	(43)	0.00%	-
Hemant Agarwal (HUF)	150,266	(71,548)	78,718	0.40%	-0.78%
Total	**9,196,622**	**(71,548)**	**9,125,031**	**46.21%**	**-0.78%**

As at March 31, 2021

Shares held by promoters at the end of the year	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Conquest Business Services Private Limited	7,490,673	-	7,490,673	38.01%	-
Lalit M Agarwal (HUF)	1,277,275	-	1,277,275	6.48%	-
Smiti Agarwal	363,505	(85,140)	278,365	1.41%	-0.90%
Hemant Kumar Agarwal	-	43	43	0.00%	0.00%
Hemant Agarwal (HUF)	307,249	(156,983)	150,266	0.77%	-1.66%
Total	**9,438,702**	**(242,080)**	**9,196,622**	**46.67%**	**-2.56%**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

f. 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 35.

g. Qualified Institutions Placement

During the previous year, the Company had issued 1,530,612 equity shares of ₹ 10 each at an issue price of ₹ 2,450 per share, aggregating to ₹ 37,499.99 lakhs (including securities premium of ₹37,346.93) as a Qualified Institutional Placement (QIP). The proceeds of the issue (net of QIP related expense of ₹ 463.17 lakh) are to augment to meet the future expansion plans of the Company, which include funding expenditure towards expansion of store network, including warehousing facilities and related land acquisition, funding digital initiatives, general corporate purposes, other corporate exigencies, including but not limited to the refurbishment and renovation of existing stores. Further, the Company has spend ₹26,915.10 lakhs on purchase of land, acquisition of retail stores and other incidental expenses. The proceeds of ₹ 10,121.72 lakh pending utilisation for the objects of QIP, have temporarily been invested in interest bearing liquid instrument and Mutual funds.

15 OTHER EQUITY

(i) Securities premium reserve

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	**47,025.65**	9,544.20
Add: premium received during the year		
Security premium received on account of issue of shares under Qualified Institutional Placement (QIP)	-	37,346.93
Transfer from share option outstanding account on exercise of options	**327.03**	42.30
Received during the year against issue of shares to employees under ESOP scheme	**753.86**	92.22
	48,106.54	**47,025.65**

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.

(ii) Amalgamation reserve

	As at March 31, 2022	As at March 31, 2021
Amalgamation reserve	**154.76**	154.76
	154.76	**154.76**

Amalgamation reserve pertain to business combinations which materialised prior to transition date to Ind AS.

(iii) Other reserves

	As at March 31, 2022	As at March 31, 2021
Retained earnings	**33,664.83**	32,687.67
Shares option outstanding account	**1,060.72**	683.98
	34,725.55	**33,371.65**
Total (i)+(ii)+(iii)	**82,986.85**	**80,552.06**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Movement of retained earning is as below

Retained earnings

	As at March 31, 2022	As at March 31, 2021
As per last balance sheet	**32,687.67**	33,801.87
Profit/(loss) for the year	**1,164.07**	(620.30)
Other comprehensive income	**(186.91)**	(30.73)
Share issue expenses	**-**	(463.17)
Net surplus in statement of profit and loss	**33,664.83**	**32,687.67**

Shares option outstanding account

	As at March 31, 2022	As at March 31, 2021
As per last balance sheet	**683.98**	576.81
Recognition of share based payment expenses	**703.77**	149.47
Transfer from share option outstanding account on exercise of options	**(327.03)**	(42.30)
Net surplus in statement of profit and loss	**1,060.72**	**683.98**

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 recognize the grant date fair value of options issued to employees under employee stock option schemes and is adjusted on exercise/ forfeiture of options.

16 TRADE PAYABLES

	Current	
	As at March 31, 2022	As at March 31, 2021
(Measured at amortised cost) Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 37 for details of dues to micro and small enterprises)	**6,134.07**	5,588.69
Others ^	**22,923.07**	13,579.51
	29,057.14	**19,168.20**

^Trade payables are non-interest bearing and are normally settled 7-90 days terms.
For explanation on risk management process, refer note 39.

Trade payable ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from vendor invoice date				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed					
Due to micro and small enterprises	**6,125.62**	**6.10**	**-**	**2.35**	**6,134.07**
Due to other than micro and small enterprises	**22,656.17**	**238.16**	**9.60**	**19.14**	**22,923.07**
(A)	**28,781.79**	**244.26**	**9.60**	**21.49**	**29,057.14**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Particulars	Outstanding for following periods from vendor invoice date				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Disputed					
Due to micro and small enterprises	-	-	-	-	-
Due to other than micro and small enterprises	-	-	-	-	-
(B)	-	-	-	-	-
(A)+(B)	28,781.79	244.26	9.60	21.49	29,057.14

Trade payable ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from vendor invoice date				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed					
Due to micro and small enterprises	5,588.50	0.19	-	-	5,588.69
Due to other than micro and small enterprises	13,555.15	2.53	15.58	6.25	13,579.51
(A)	19,143.65	2.72	15.58	6.25	19,168.20
Disputed					
Due to micro and small enterprises	-	-	-	-	-
Due to other than micro and small enterprises	-	-	-	-	-
(B)	-	-	-	-	-
(A)+(B)	19,143.65	2.72	15.58	6.25	19,168.20

17 OTHER FINANCIAL LIABILITIES

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial liabilities carried at amortised cost				
Book overdraft	-	-	-	2.36
Creditors for fixed assets#	-	-	1,508.05	872.20
Employee related payables	-	-	612.92	145.69
	-	-	2,120.97	1,020.25

includes payable in respect of MSMED parties amounting to ₹ 96.61 lakhs (March 31, 2021: ₹ 40.78 lakhs) [refer note 37].

18 PROVISIONS

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Employee benefit obligations				
Provision for gratuity obligation (refer note 34)	1,086.20	734.27	200.52	123.47
Provision for compensated absences (refer note 34)	-	-	212.68	197.19
	1,086.20	734.27	413.20	320.66
Others				
Provision for income tax (net of prepaid taxes)**	-	-	1,160.50	1,211.78
	-	-	1,160.50	1,211.78
	1,086.20	734.27	1,573.70	1,532.44

** The Company carries a tax contingency provision created as a matter of abundant caution of ₹ 587.61 lakhs (March 31, 2021: ₹642.36 lakhs) in respect of claims made by the Company in its return of income for section 80JJAA, education cess on income tax and additional depreciation as allowable expense. The management is confident that it will be eligible for deduction.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

19 OTHER LIABILITIES

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Contract liabilities	-	-	104.23	135.68
Unclaimed dividend*	-	-	0.48	0.56
Deferred government grant in respect of skill development project (refer note 13)	-	-	-	366.33
Statutory dues payable	-	-	823.35	393.32
	-	-	928.06	895.89

* does not include any due for deposit with Investor Education and Protection Fund

20 REVENUE FROM CONTRACTS WITH CUSTOMERS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of traded goods	165,920.17	107,393.55
Other operating revenue (refer note 11)	697.56	152.51
	166,617.73	107,546.06
Timing of revenue recognition		
Revenue recognition at a point of time	166,319.69	107,393.55
Revenue recognition over period of time	298.04	152.51
Total revenue from contracts with customers	166,617.73	107,546.06
Contract balances		
Contract liabilities (refer note 19)	104.23	135.68

A contract liability is recognised when the Company is under an obligation to redeem discount coupon, credit vouchers etc given to customer on existing sales. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer). Refund liabilities - A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer. The Company's refund liabilities arise from customers' right of return and volume rebates. The Company updates its estimates of refund liabilities at the end of each reporting period.

There are no Contract Assets and trade receivables as Company operates retail stores and there is no credit sales or other receivables from customers. Rental income from sublease customers are settled with in the same month.

Set out below is the amount of revenue recognised from:

Movement of contract liability

	As at March 31, 2022	As at March 31, 2021
Amounts included in contract liabilities at the beginning of the year	135.68	226.29
Amount received/adjusted against contract liability during the year	104.23	135.68
Performance obligations satisfied during the year	(135.68)	(226.29)
Amounts included in contract liabilities at the end of the year	104.23	135.68

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022
(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

21 OTHER INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent Concession received from landlords (refer note no.47)	-	1,573.84
Income on investment designated at FVTPL	-	132.72
Liabilities written back	30.10	26.86
Profit on sale of investments (net)	566.16	55.59
Miscellaneous income	173.01	43.83
	769.27	1,832.84

22 FINANCE INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on items at amortised cost		
Bank deposits	345.30	160.74
Interest - Bond	142.47	-
Interest on fair valuation of security deposits	137.97	110.40
Others	0.70	-
	626.44	271.14

23 PURCHASE OF TRADED GOODS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of traded goods	133,102.90	67,395.47
	133,102.90	67,395.47

24 INCREASE / (DECREASE) IN INVENTORIES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year		
Traded goods (including stock in transit)	66,636.17	42,683.41
Packing material and accessories	186.11	147.33
	66,822.28	42,830.74
Inventories at the beginning of the year		
Traded goods (including stock in transit)	42,683.41	47,556.44
Packing material and accessories	147.33	235.80
	42,830.74	47,792.24
	(23,991.54)	4,961.50

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2022
(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

25 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	14,750.99	9,874.27
Gratuity Expenses (refer note 34)	245.23	199.23
Employee stock option scheme (refer note 35)	703.77	149.47
Contribution to provident and other funds	1,301.36	809.67
Staff welfare	958.65	655.45
	17,960.00	11,688.09

26 OTHER EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent (refer note no.47)	899.35	-
Power and fuel	5,826.76	3,525.53
Advertising and sales promotion	4,190.79	1,876.85
Packing materials and expenses	1,262.02	730.38
Repairs and maintenance		
Building	515.29	246.80
Others	1,576.91	1,022.49
Commission	126.31	133.04
Security expenses	746.57	474.37
Communication cost	223.23	153.51
Travelling and conveyance	509.93	176.43
Credit card and cash collection charges	480.19	383.14
Rates and taxes	81.21	61.20
Vehicle running expenses	233.34	164.89
Legal and professional fees	1,318.56	542.92
Printing and stationery	110.07	53.45
Payment to auditors (refer details below "A")	49.06	41.95
Insurance	150.28	104.66
Loss on investment designated at FVTPL	6.11	-
Loss on sale / write-off of property, plant and equipment/ Capital work-in-progress	169.85	116.23
Provision for impairment of advances	-	22.77
Balances written off [net off provision of ₹ 40.89 lakhs (March 31, 2021: ₹23.81 lakhs)]	4.03	7.88
Expenses on CSR activities (refer details below "B")	247.77	325.98
Donations	25.12	13.18
Commission to independent directors*	4.75	2.49
Directors' sitting fees	26.00	12.00
Miscellaneous expenses	330.01	187.65
	19,113.51	10,379.79

* Commission to independent director's amounting to ₹2.49 lakhs in previous year represents commission paid with respect to FY 2019-20 approved by the shareholders in annual general meeting dated September 30, 2020.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

A. Payment to Auditors

	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditor:		
Audit fee (including limited reviews)	**41.20**	34.00
Tax audit fee	**2.00**	2.00
Other Services (₹ 30 lakhs included in equity share issue expenses in previous year)	**2.00**	31.00
Reimbursement of expense	**3.86**	4.95
	49.06	**71.95**

B. Details of CSR expenditure

		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Gross amount required to be spent by the Company during the period	**110.86**	188.75
(b)	Amount approved by the Board to be spent during the year*	**247.77**	330.73
(c)	Amount spent during the period		
	i) **Construction/ acquisition of any assets**	-	-
	ii) **on purchase other than (i) above***	**247.77**	**330.73**

* ₹ 4.75 Lakhs paid in the previous year which was provided in earlier year.

Details of unspent amount (ongoing projects)

Particulars	Amount	Date of transfer
Total Amount transferred to unsepent CSR account as per section 135(6)	**Nil**	**Not Applicable**
Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5)	**Nil**	**Not Applicable**

27 FINANCE COSTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest		
- on lease liability	**7,666.39**	5,663.76
- on cash credit facilities	**20.16**	188.44
Other borrowing costs	**32.69**	42.33
	7,719.24	**5,894.53**

28 DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of tangible assets	**4,268.21**	3,544.78
Depreciation of right-of-use assets	**8,686.90**	6,639.64
Amortisation of intangible assets	**114.55**	112.72
	13,069.66	**10,297.14**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

29 TAX EXPENSE AND TAX RECONCILIATION

The major components of income tax expense for the period ended March 31, 2022 and March 31, 2021 are:

(a) Tax expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
Current income tax charge	**1,282.28**	647.94
Adjustments in respect of current income tax of previous year(s)	**(134.04)**	(78.52)
	1,148.24	**569.42**
Deferred tax		
Decrease/(increase) in deferred tax assets	**(8,648.38)**	(1,587.89)
(Decrease)/increase in deferred tax liabilities	**7,375.74**	672.29
	(1,272.64)	**(915.60)**
Income tax expense reported in the statement of profit or loss	**(124.40)**	**(346.18)**
Comprises of :-		
Total tax expense as per Statement of profit and loss	**(124.40)**	(346.18)
Deferred tax related to items recognised in OCI on remeasurements of defined benefit plans	**(62.86)**	(10.34)

(b) Income tax expense for the period reconciled to the accounting profit

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(Loss) before tax	**1,039.67**	**(966.48)**
Income tax expense calculated @ 25.168% (March 31, 2021: 25.168%) plus interest under Section 234C of Income Tax Act, 1961	**261.66**	(214.22)
Tax effect of amounts that are not deductible in calculating taxable expense:		
Permanent differences	**119.92**	87.56
Deduction claimed under section 80JJAA and for ESOP	**(272.90)**	(156.22)
Others	**(99.04)**	15.22
Total	**9.64**	(267.66)
Adjustment in respect of current income tax of previous period(s)	**(134.04)**	**(78.52)**
Income tax expense recognised in statement of profit and loss	**(124.40)**	(346.18)

30 EARNINGS / (LOSS) PER SHARE

Basic EPS amounts are calculated by dividing the profit for the period attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued under ESOP Scheme to employees.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(Loss) after tax	**1,164.07**	**(620.30)**
Nominal value per share (in ₹)	**10.00**	10.00
Weighted average number of Equity shares for basic EPS (in numbers)	**19,728,344**	18,408,626
Effect of dilution:		
Issuance of shares under ESOP (in numbers)	**78,500**	40,459
Weighted average number of Equity shares adjusted for the effect of dilution (in numbers)	**19,806,844**	**18,449,085**
Earnings / (loss) per share (in ₹)		
Basic earnings per share	**5.90**	(3.37)
Diluted earnings per share	**5.88**	(3.37)

31 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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. 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.

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.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) **Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease, and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that it reflects the current economic circumstances.

For leases which are expired and under discussion for renewal, the Company Considers such leases as short term leases since, the Company is not certain that option to extend the lease will be exercised as lessor has right to terminate the lease.

Further, the Company has exercised its judgement in using a single discount rate to a portfolio of leases with reasonably similar characteristics.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

b) **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.

c) **Recognition of deferred tax**

The extent to which deferred tax asset to be recognized is based on the assessment of the probability of the future taxable income against which the deferred tax asset can be utilized.

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 changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) **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.

(ii) **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

(iii) **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.

(iii) **Share based payments**

The Company initially measures the cost of equity-settled transactions with employees using a black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability is recognised at the vesting date. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 35.

(iv) **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 judgement is required in establishing fair values. Judgements include

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

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.

(v) **Assessment of potential markdown inventory**

The Company at each reporting date makes an assessment of potential markdown due to aged inventory. In doing so, it estimates the net realisable value of aged inventory based on historic trend of sale of such/ similar aged inventory. Further, it also estimate the provision for shrink based on past trends which it believes is more than or near to actual shrink to be booked as and when stores are counted annually.

(vi) **Incremental borrowing rate for leases**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

32 COMMITMENTS AND CONTINGENCIES

i) Commitments

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account not provided in books (including acquisition of land remaining land)	**11,980.32**	3,460.21
	11,980.32	**3,460.21**

ii) Contingent liabilities

	As at March 31, 2022	As at March 31, 2021
Income tax[1]	**192.25**	754.90
Value added tax [2]	**157.01**	565.01
Service tax [3]	**30.33**	30.33
Payment of Bonus (Amendment) Act, 2015[4]	**107.61**	107.61
Minimum Wages Act, 1948[5]	**107.48**	107.48
	594.68	**1,565.33**

Note: The Company does not believe any liability devolving against it.

Income Tax [1]

₹ 21.75 lakhs [net of deposited of ₹ 76.13 lakhs (March 31, 2021 : ₹ 21.75)] represents demand raised by the income tax department for AY 14-15 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961 and other disallowances. The Company has filed an appeal before CIT (A).

₹ Nil lakhs (March 31, 2021: ₹ 600.63) represent reassessment order received by the Company under section 263 of Income Tax Act, 1961 for AY 16-17 wherein the Commissioner of Income has made certain additions with respect to non-deduction of TDS on director's commission, Inventory write-off and claims and contingencies. In the current year, the matter has been decided in favour of assessee and the matter is closed.

₹ 74.97 lakhs (March 31, 2021 : ₹74.97 lakhs) was raised by the income tax department for AY 12-13 in respect of addition made on disallowance of certain purchases based on inadvertent assumption. The Company has filed an appeal an appeal before CIT (A).

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

₹ 57.55 lakhs (March 31, 2021 : ₹57.55 lakhs) represents demand raised by the income tax department for AY 18-19 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961 and disallowance of expenditure on ESOP. However, the Company has filed an appeal before CIT (A).

₹ 37.98 lakhs (March 31, 2021 : ₹Nil lakhs) represents demand raised by the income tax department for AY 20-21-19 in respect of various adjustments such as addition with respect to 43B, items, adjustments under ICDS, etc. THe Copany has filed an appeal before CIT (A).

Demand netted off with refund

₹ Nil (March 31, 2021: ₹ Nil) represents demand amounting to ₹ 4.81 lakhs (March 31, 2021: ₹4.81 lakhs) raised by the income tax department for AY 13-14 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961 and other non deductible expenses. The Company has reduced the refund due to it against such demand. However, the Company has filed an appeal before CIT (A).

₹ Nil (March 31, 2021: ₹ Nil) represents demand amounting to ₹ 12.57 lakhs (March 31, 2021: ₹12.57 lakhs) raised by the income tax department for AY 16-17 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961 and other non deductible expenses. The Company has reduced the refund due to it against such demand. However, However, the Company has filed an appeal before CIT (A).

₹ Nil (March 31, 2021: ₹ Nil) represents demand amounting to ₹ 80.20 lakhs (March 31, 2021 : ₹80.20 lakhs) raised by the income tax department for AY 17-18 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961, allowance of education cess, delay in payment of PF and disallowance of interest on delayed payment of Income Tax. The Company has reduced the refund due to it against such demand. However, the Company has filed an appeal an appeal before CIT (A).

Value added tax [2]

₹ 157.01 lakhs (March 31, 2021: ₹ 565.01 lakhs) represents demand relating to the appropriateness of forms/ declaration made by the Company under relevant sales tax legislations which were primarily procedural and on interstate movement of goods. Pending final decisions, the Company has deposited amounts under protest with statutory authorities for certain cases amounting to ₹ 115.45 (March 31, 2021: ₹115.45).

Service tax [3]

Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1, 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 October 14, 2011, directing to deposit 50% of the arrears of service tax due up to September 30, 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 June 1, 2007 till September 30, 2011 amounted to ₹108.26 lacs of which ₹77.93 lacs has been provided for in the Statement of Profit and Loss till March 31, 2017 and the balance ₹30.33 lacs has been disclosed as contingent liability in current and previous year. 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 deposit" under other non-current assets.

Payment of Bonus (Amendment) Act, 2015[4]

The Payment of Bonus (Amendment) Act, 2015 dated December 31, 2015 (which was made effective from April 1, 2014) revised the thresholds for coverage of employees eligible for bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognizance 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 recognized an additional expense of ₹213.81 lakhs for the period April 1, 2015 to March 31, 2016 during previous year ended March 31, 2016 and has not recognised the differential amount of bonus of ₹107.61 lakhs for the period April 1, 2014 to March 31, 2015.

NOTES TO FINANCIAL STATEMENTS

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(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Minimum Wages Act, 1948[5]

₹107.48 lakhs (March 31, 2021 :₹107.48 lakhs) represents demand under imposed by the labour enforcement officer under The Minimum Wages Act, 1948 mainly on classification of employees into skilled, semi-skilled and un-skilled. The Company has received an order during the year stating that the differential amount has been paid by it, however, it has not paid any such amount since, the Management believes that the classification done by the labour officer was not appropriate and it is in process of filing its reply to labour department to correct the said orders. Further, it does not anticipate any material liability devolving on the Company.

Further there are various labour, legal metrology, food adulteration and cases under other acts pending against the Company, the liability of which cannot be ascertained. However, management does not expect significant or material liability devolving on the Company.

33 RELATED PARTY DISCLOSURES

(a) Names of related parties and related party relationship

Names of related parties where control exists

Name of the party	Relationship
Conquest Business Services Private Limited	Entity along with promotor holding having control
Key managerial personnel	
Mr. Lalit M Agarwal	Managing Director
Mr. Madan Gopal Agarwal	Whole-time Director
Mr. Aakash Moondhra	Independent Director
Mr. Murli Ramachandran	Independent Director
Ms. Sonal Mattoo	Independent Director
Mr. Govind Shridhar Shrikhande	Independent Director
Mr. Anand Agarwal	Chief Financial Officer
Mrs. Megha Tandon	Company Secretary
Relative of Key managerial personnel	
Mr. Snehal Shah	Son-in-law of Mr. Madan Gopal Agarwal
Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel*	
Lalit M Agarwal (HUF)	HUF in which Mr. Lalit M Agarwal is Karta

*Where transactions have occurred.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

(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	
	For the year ended		For the year ended		For the year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Managerial remuneration*						
Mr. Lalit M Agarwal	**175.63**	154.04	-	-	-	-
Mr. Madan Gopal Agarwal	**31.55**	28.57	-	-	-	-
Post employment benefits - Gratuity						
Mr. Lalit Agarwal	**0.10**	0.01	-	-	-	-
Mr. Madan Gopal Agarwal	**(0.04)**	(0.05)	-	-	-	-
Independent directors' commission**						
Mr. Aakash Moondhra	**2.09**	0.72	-	-	-	-
Mr. Murli Ramachandran	**0.89**	0.59	-	-	-	-
Ms. Sonal Mattoo	**0.86**	0.59	-	-	-	-
Mr. Govind Sridhar Shrikhande	**0.91**	0.59	-	-	-	-
Directors' sitting fees						
Mr. Aakash Moondhra	**6.50**	3.00	-	-	-	-
Mr. Murli Ramachandran	**6.50**	3.00	-	-	-	-
Ms. Sonal Mattoo	**6.50**	3.00	-	-	-	-
Mr. Govind Sridhar Shrikhande	**6.50**	3.00	-	-	-	-
Salaries, wages and bonus #						
Mr. Anand Agarwal	**122.03**	97.65	-	-	-	-
Mr. Snehal Shah	-	-	**79.10**	61.45	-	-
Mrs. Megha Tandon	**8.83**	6.19	-	-	-	-
ESOP issued						
Mr. Anand Agarwal	**113.04**	-	-	-	-	-
Mr. Snehal Shah	-	-	**68.96**	-	-	-
Mrs. Megha Tandon	**10.34**	-	-	-	-	-

***Managerial remuneration comprises of the following:-**

	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration (excluding post employment benefits)	**371.41**	196.45
Commission	**4.75**	2.49
Perquisites	**90.00**	90.00
	466.16	**288.94**

Gross salary as per pay sheet including bonus, perquisites of ESOP and others, contribution to PF and LWF. It does not include the provisions made for gratuity, employee stock option scheme and leave benefits as they are determined for the company as a whole.

** Commission to independent director's amounting to ₹2.49 lakhs in previous year represents commission paid with respect to FY 2019-20 approved by the shareholders in annual general meeting dated September 30, 2020.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

(c) Balance at the end of year

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Loan and Advance						
Mr. Lalit M Agarwal	30.70	17.51	-	-	-	-
Independent directors' commission payable (net of TDS)						
Mr. Aakash Moondhra	2.10	-	-	-	-	-
Mr. Murli Ramachandran	0.89	-	-	-	-	-
Mr. Govind Shridhar Shrikhande	0.91	-	-	-	-	-
Ms. Sonal Mattoo	0.86	-	-	-	-	-

34 EMPLOYEE BENEFITS OBLIGATION

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Employer's Contribution to provided fund	-	-	105.34	73.92
Gratuity	1,086.20	734.27	200.52	123.47
Compensated absences	-	-	212.68	197.19
	1,086.20	734.27	518.54	394.58

Gratuity an other post-employment benefit plans

The Company has a defined benefit gratuity plan which is not funded. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Changes in the present value of the defined benefit obligation are as follows:

	As at March 31, 2022	As at March 31, 2021
Change in benefit obligation		
Opening defined benefit obligation	857.74	717.23
Service cost	194.23	158.74
Interest expenses	51.00	40.49
Benefits paid	(114.89)	(99.79)
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	150.56	(18.81)
Experience adjustments	99.21	59.88
Acquisition Adjustment	48.87	-
Closing defined Benefit obligation	1,286.72	857.74

Balance sheet - Benefit Asset / (Liability)

	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	1,286.72	857.74
Fair value of plan assets	-	-
Plan asset / (liability)	1,286.72	857.74

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for the year ended March 31, 2022

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Statement of profit and loss

Net employee benefit expense recognized in employee cost (recognised in statement of profit and loss)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	194.23	158.74
Interest cost on benefit obligation	51.00	40.49
Net benefit expense	245.23	199.23

Remeasurement (gain)/loss recognised in other comprehensive income

	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	150.56	(18.81)
Experience adjustments	99.21	59.88
	249.77	41.07

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Financial assumptions

	As at March 31, 2022	As at March 31, 2021
Discount rate	6.20%	5.95%
Salary escalation rate:		
First year	5.00%	3.00%
Thereafter	5.00%	3.00%

Demographic assumptions

	As at March 31, 2022	As at March 31, 2021
Retirement age	60	60
Withdrawal rate, based on period of service		
up to 5 years	40.00%	40.00%
5 years or more	10.00%	10.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

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.

	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	-/ +1%	-/ +1%	1,195.48	800.19	1,391.89	923.49
Salary growth rate	-/ +1%	-/ +1%	1,387.94	923.05	1,197.07	799.77
Attrition Rate	-/ +1%	-/ +1%	1,246.47	850.30	1,316.86	826.09
Mortality Rate	-/ +1%	-/ +1%	1,287.00	858.08	1,286.45	857.40

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Sensitivities due to demographics are insignificant. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected credit unit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure

	As at March 31, 2022	As at March 31, 2021
Weighted average duration (based on discounted cashflows)	8 years	7 years

The following are defined benefit payments in future years:

Particulars	As at March 31, 2022	As at March 31, 2021
Within one year	200.52	123.47
More than 1 year but less than 5 years	496.16	361.31
5 years and more	1,624.14	958.89
	2,320.82	1,443.67

(i) **Risk analysis**

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

Interest rate risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields falls, the defined benefit obligation will tend to increase.

Salary Inflation risk

Higher than expected increases in salary will increase the defined benefit obligation

Demographic risk

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary Increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Detailed information to the extent provided by the actuary in the actuarial certificate has been included in the disclosure given above.

35 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 July 2, 2012 and July 10, 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. Further, the Members of the Company in its meeting held on September 18, 2017 had further approved the amendment in V-Mart ESOP scheme, 2012 by increasing the total number of options from 300,000

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

(Three Lakhs) to 600,000 (Six Lakhs) options The exercise price of these options will be determined by the Remuneration Committee and the options will vest over a period of twelve months to thirty six months of continued employment from the grant date.

The Company has introduced new Employee Stock Option Scheme which was approved by Board of Directors and the shareholders vide resolution dated August 10, 2020 and September 30, 2020 respectively ('the V-Mart ESOP Scheme 2020' or the "Scheme"), consequent to which 185,950 equity shares with the nominal value of ₹ 10 each was granted to all the employees above certain level and based on certain portion of their remuneration subject to achievement of Company's performance and individual performance at the cut-off date. The option will vest over a period of 1 to 4 years in the ratio of 10:20:30:40 at a exercise price decided by the Nomination and Remuneration Committee.

(a) **Below are the details in respect of ESOPs granted and outstanding as at March 31, 2022**

Particulars	ESOP Scheme	Grant Ratio	Vesting Period	Grant date	ESOPs granted	Exercise price (in ₹)	Market value of equity shares on the date of grant (in ₹)
Grant IV	Scheme 2012	30:30:40	1 to 3 Years	January 30, 2017	76,225	470	522.35
Grant V	Scheme 2012	30:30:40	1 to 3 Years	July 12, 2017	6,395	900	1,243.90
Grant VI	Scheme 2012	30:30:40	1 to 3 Years	November 9, 2017	9,300	1,260	1,412.60
Grant VII	Scheme 2012	30:30:40	1 to 3 Years	May 24, 2018	18,527	2,047	2,274.05
Grant VIII	Scheme 2012	30:30:40	1 to 3 Years	July 23, 2018	40,764	2,044	2,270.95
Grant IX	Scheme 2012	30:30:40	1 to 3 Years	November 2, 2018	3,426	2,286	2,540.25
Grant X	Scheme 2012	30:30:40	1 to 3 Years	May 10, 2019	8,228	2,347	2,594.85
Grant XI	Scheme 2012	30:30:40	1 to 3 Years	August 2, 2019	6,025	1,683	1,871.00
Grant XII	Scheme 2012	30:30:40	1 to 3 Years	November 10, 2020	27,051	1,769	1,966.80
Grant XIII	Scheme 2020	10:20:30:40	1 to 4 Years	December 24, 2020	185,950	1,244	2,487.55
Grant XIV	Scheme 2020	10:20:30:40	1 to 4 Years	May 28, 2021	7617*	1,400	2,799.85
Grant XIV	Scheme 2012	30:30:40	1 to 3 Years	May 28, 2021	705*	2,520	2,799.85
Grant XV	Scheme 2020	10:20:30:40	1 to 4 Years	February 10, 2022	13163*	1,842	3,683.15

* granted in FY 2021-22

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 and ESOP Scheme 2020 are summarized below:**

Particulars	March 31, 2022		March 31, 2021	
	Number of options	Weighted average price in (₹)	Number of options	Weighted average price in (₹)
Outstanding at the beginning of the year	268,802	1,430.34	103,777	1,642.59
Granted during the year	21,485	1,652.24	213,001	1,310.67
Exercised during the year	(43,311)	1,750.58	(20,047)	470.00
Forfeited during the year	(24,972)	1,400.18	(27,929)	1,995.61
Expired during the year	-	-	-	-
Outstanding at the end of the year	222,004	1,032.60	268,802	1,430.34
Exercisable at the end of the year	20,902	1,942.61	39,013	1,721.16
No. of equity shares of ₹ 10 each fully paid up to be issued on exercise of option	222,004	1,032.60	268,802	1,430.34

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for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Weighted average remaining contractual life (in years)

	As at March 31, 2022	As at March 31, 2021
Weighted average remaining contractual life (in years)	6.59	7.15

(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	Risk free interest rates (in %)	Expected life (in years)	Volatility (in %)	Dividend yield (in %)	Weighted average exercise price (in ₹)	Weighted average fair value of stock option (in ₹)
Grant IV	7.93%	4 years	30.13%	0.24%	470	211
Grant V	7.80%	4 years	42.48%	0.18%	900	673
Grant VI	7.64%	4 years	50.76%	0.10%	1,260	727
Grant VII	7.45%	3 years	40.30%	0.10%	2,047	902
Grant VIII	7.42%	3 years	41.49%	0.10%	2,044	913
Grant IX	7.37%	3 years	22.23%	0.10%	2,286	792
Grant X	7.33%	3 years	22.90%	0.10%	2,347	807
Grant XI	7.26%	3 years	23.61%	0.10%	1,683	591
Grant XII	6.93%	3 years	25.68%	0.10%	1,769	443
Grant XIII	6.93%	4 years	24.32%	0.10%	1,244	1,473
Grant XIV	6.41%	3 years	20.07%	0.10%	2,520	771
Grant XIV	6.41%	4 years	20.07%	0.10%	1,400	1,726
Grant XV	6.71%	4 years	16.30%	0.00%	1,842	2,177

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.

36 SEGMENT INFORMATION

Ind AS 108 establishes standards for the way that the Company report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations comprises of only one segment i.e. Retail sale business of various merchandise products. The Company operates primarily in India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment. Based on the "management approach" as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment. In view of the same, separate segment information is not required to be given as per the requirements of Ind AS 108 on “Operating Segments”. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

37 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises (refer note 16 and 17)	6,230.68	5,629.47
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Interest paid to suppliers under MSMED Act	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

The management has obtained confirmation from majority of such vendors for principal and interest due to them.

38 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:

Particulars	Cash and Cash Equivalents	Liquid Investments	Non-current borrowings	Current borrowings	Lease Liability	Total
Net liability as at April 1, 2020	(480.83)	(457.47)	2.74	104.65	51,566.67	50,735.76
Addition during the year (refer note 44)	-	-	-	-	10,840.02	10,840.02
Deletion in leases liability (refer note 44)	-	-	-	-	(1,856.92)	(1,856.92)
Interest expenses	-	-	-	230.77	5,663.76	5,894.53
Others	-	-	-	-	245.13	245.13
Lease payments(net of lease concession)	-	-	-	-	(2,440.70)	(2,440.70)
lease concession	-	-	-	-	(1,573.84)	(1,573.84)
Gain / (loss) on sale / fair valuation of Investment	-	(158.30)	-	-	-	(158.30)
Interest Paid	-	-	(0.14)	(230.77)	(5,663.76)	(5,894.67)
Cash Inflow / (outflows) (net)	(1,742.00)	(30,920.64)	(2.60)	(104.65)	-	(32,769.89)
Net liability as at March 31, 2021	**(2,222.83)**	**(31,536.41)**	**-**	**-**	**56,780.36**	**23,021.12**
Addition during the year (refer note 44)	-	-	-	-	40,087.28	40,087.28
Deletion in leases liability (refer note 44)	-	-	-	-	(1,800.39)	(1,800.39)
Interest expenses	-	-	-	52.85	7,666.39	7,719.24
Others	-	-			222.39	222.39
Lease payments (net off lease concession)	-	-	-	-	(3,485.70)	(3,485.70)
Lease concession received	-	-	-	-	(1,583.79)	(1,583.79)
Gain / (loss) on sale / fair valuation of Investment	-	(543.76)	-	-	-	(543.76)
Interest Paid	-	-	-	(52.85)	(7,666.39)	(7,719.24)
Cash Inflow / (outflows) (net)	(795.12)	19,973.96	-	-	-	19,178.84
Net liability as at March 31, 2022	**(3,017.95)**	**(12,106.21)**	**-**	**-**	**90,220.15**	**75,095.99**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

39 FINANCIAL RISK MANAGEMENT

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 and short-term borrowings. The Company does not have any long term borrowings or working capital loan from bank. However, it has obtained cash credit facility from bank. The Company has sanctioned borrowing limit of ₹14,900 lakhs.

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Company:

Particulars	As at March 31, 2022	As at March 31, 2021
Long term borrowings (including current maturities)	-	-
Working capital demand loan	-	-
Total debt	-	-
Equity share capital	**1,974.95**	1,970.61
Other equity	**82,986.85**	80,552.06
Total equity	**84,961.80**	82,522.67
Gearing ratio	**0.00%**	0.00%

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. Further, as at March 31, 2022, the Company has cash and cash equivalent of ₹ 3,017.95 lakhs (March 31, 2021: ₹2,222.83 lakhs).

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

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.

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.

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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 one year	Between one and five years	More than five years	Carrying amounts
As at March 31, 2022				
Lease Liabilities	**5,926.24**	**35,464.48**	**48,829.44**	**90,220.16**
Trade payables and other accruals	**31,178.11**	-	-	**31,178.11**
As at March 31, 2021				
Lease liability	3,701.90	19,818.10	33,260.36	56,780.36
Trade payables and other accruals	20,188.45	-	-	20,188.45

The Company has access to following financing facilities which were undrawn as at the end of the year

Particulars	As at March 31, 2022	As at March 31, 2021
Secured working capital facilities		
Amount used	-	-
Amount unused	**14,900**	21,000
Total	**14,900**	21,000

Credit risk:

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.

The Company provides for twelve month expected credit losses for the following financial assets

As at March 31, 2022

Particulars	Estimated gross carrying amount	Expected credit loss (refer note 38)	Carrying amount net of impairment provisions
Investments	**13,464.39**	**979.94**	**12,484.45**
Loans	**51.82**	-	**51.82**
Other financial asset	**3,570.61**	**6.40**	**3,564.21**
Cash and cash equivalents	**3,017.95**	-	**3,017.95**
Fixed deposits and margin money deposits	**153.06**	-	**153.06**
Other receivables	**285.60**	-	**285.60**
Other bank balances	**202.12**	-	**202.12**
Total financial assets	**20,745.55**	**986.34**	**19,759.21**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

As at March 31, 2021

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
Investments	32,878.30	979.94	31,898.36
Loans	6.69	-	6.69
Other financial asset	1,341.27	10.53	1,330.74
Cash and cash equivalents	2,222.83	-	2,222.83
Fixed deposits and margin money deposits	7,192.12	-	7,192.12
Other receivables	157.12	-	157.12
Other bank balances	367.29	-	367.29
Total financial assets	**44,165.62**	**990.47**	**43,175.15**

Concentration of financial assets

The Company's principal business activities are of retailing of fashion and FMCG products. All financial assets pertain to the retail business.

40 FAIR VALUE MEASUREMENTS

Financial instruments by category

	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair Value	Carrying value	Fair Value
Fair value through profit and loss				
Investments				
- Mutual Funds	**10,876.23**	**10,876.23**	30,248.42	30,248.42
Fair value through amortised cost				
Investments				
- Bonds	**1,608.22**	**1,608.22**	1,649.94	1,649.94
Loans	**51.82**	**51.82**	6.69	6.69
Other financial asset	**3,564.21**	**3,564.21**	1,330.74	1,330.74
Cash and cash equivalents	**3,017.95**	**3,017.95**	2,222.83	2,222.83
Margin money deposits	**134.46**	**134.46**	95.66	95.66
Deposits with remaining maturity of less than twelve months	**18.60**	**18.60**	7,096.46	7,096.46
Other receivables	**285.60**	**285.60**	157.12	157.12
Other bank balances	**202.12**	**202.12**	367.29	367.29
Total financial assets	**19,759.21**	**19,759.21**	**43,175.15**	**43,175.15**
Financial liabilities				
Fair value through amortised cost				
Lease liabilities	**90,220.16**	**90,220.16**	56,780.36	56,780.36
Trade payables	**29,057.14**	**29,057.14**	19,168.20	19,168.20
Other financial liabilities	**2,120.97**	**2,120.97**	1,020.25	1,020.25
Total financial liabilities	**121,398.27**	**121,398.27**	**76,968.81**	**76,968.81**

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The following methods and assumptions were used to estimate the fair values:

The fair value of quoted investments are based on price quotations as on the reporting date.

The security deposits paid are evaluated by the company based on parameters such as interest rate, risk factors , risk characteristics, and individual credit worthiness of the counterparty. Based on this evaluation allowances are taken into account for the expected losses of the security deposits.

41 FAIR HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments in mutual funds	**March 31, 2022**	**10,876.23**	**10,876.23**	-	-
	March 31, 2021	30,248.42	30,248.42	-	-
Investments in Bonds	**March 31, 2022**	**1,608.22**	-	-	**1,608.22**
	March 31, 2021	1,649.94	-	-	1,649.94
Loans	**March 31, 2022**	**51.82**	-	-	**51.82**
	March 31, 2021	6.69	-	-	6.69
Other receivables	**March 31, 2022**	**285.60**	-	-	**285.60**
	March 31, 2021	157.12	-	-	157.12
Other financial asset	**March 31, 2022**	**3,564.21**	-	-	**3,564.21**
	March 31, 2021	1,330.74	-	-	1,330.74

There have been no transfers between Level 1 and Level 2 during the year.

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.

Note :

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.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

42 The Company on a periodic basis assesses the markdown of its aged and obsolete inventories (including shrinkage due to various reasons). The exercise has been carried out throughout the year and also at the year end. The estimated markdown including shrinkage in consumption of stock-in -trade amounts to ₹ 4,642.90 lakhs including provision at year end of ₹3,247.00 lakhs (March 31, 2021 :₹ 4,196.86 lakhs including provision at year end of ₹ 2,463.00 lakhs). The management believes that above estimation is adequate both in line with the industry standards and as well as considering the current COVID-19 situation. Also refer note 46 below.

43 ASSETS PLEDGED AS SECURITY

The carrying amounts of asset pledged as security for current and non-current borrowings are:

	As at March 31, 2022	As at March 31, 2021
Current		
Financial assets		
Investments	**12,106.21**	31,536.41
Cash and cash equivalent	**3,303.55**	2,379.95
Other bank balances	**202.12**	367.29
Other financial assets	**18.60**	7,096.46
Non-financial assets		
Inventories	**66,822.28**	42,830.74
Total current assets pledged as security	**82,452.76**	**84,210.85**
Non-current		
Property, plant and equipment**	**27,949.18**	17,578.55
Capital work in progress**	**637.85**	219.04
Financial assets		
Investments	**378.24**	361.95
Other financial assets	**67.00**	67.00
Total non-current assets pledged as security	**29,032.27**	**18,226.54**
Total assets pledged as security	**111,485.03**	**102,437.39**

** represents collateral security

Undrawn committed borrowing facilities

The Company has sanctioned working capital limits amounting to ₹ 14,900 lakhs (March 31, 2021: ₹22,000 lakhs) including non fund based limit of ₹1,000 lakhs from SBI, ICICI, Yes Bank, Axis Bank and HDFC Bank. An amount of ₹13,524.32 lakhs remains undrawn as at March 31, 2022 (March 31, 2021: ₹ 21,536.99 lakhs). Further, the limits available is secured by way of:

i) Pari passu hypothecation charge with all the working capital lenders on entire current assets including stock and all the present and future book debts.

ii) Pari passu first hypothecation charge with all the working capital lenders on all the present and future fixed assets of the Company excluding vehicle and assets financed by other banks under the finance lease and term loan.

iii) Exclusive charge over personal property of Mr. Lalit Agarwal, Mr. Madan Gopal Agarwal and Mrs. Sangeeta Agarwal to SBI only.

iv) Personal guarantee of Mr. Lalit Agarwal and Mr. Madan Gopal Agarwal is given to SBI, ICICI and Axis bank

v) Personal guarantee of Mr. Lalit Agarwal is given to HDFC and personal guarantee of Mrs, Sangeeta Agarwal is given to SBI.

vi) Exclusive charge over Mutual Funds of SBI DFS - C - 48 - 1177 Days - Direct - Growth and SBI Magnum Ultra Short Duration Fund - Direct - Growth to SBI.

vi) Exclusive charge over FDRs of ₹ 67 lakhs to SBI.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

44 The lease terms for office premises, warehouse and store sites are for an period of nine years to fifteen years and having a lock-in period ranging from one to three years. The lease are further renewable on expiry of total lease term subject to mutual consent of both the parties. The Company also sub lease portion of retail stores. However, the sub-lease income is not material to the total lease outflows.

Further, the Company has also obtained some of the assets under operating lease from asset leasing company. Such lease agreement are cancellable by giving a three months notice and does not contain lock-in period.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Category of ROU assets		Total
	Building	Plant and Machinery/ office equipment	
Balance as at April 1, 2020	48,978.65	232.41	49,211.06
Additions during the year	11,086.27	-	11,086.27
Deletions during the year	(1,857.82)	-	(1,857.82)
Depreciation	(6,515.43)	(124.21)	(6,639.64)
Balance as at March 31, 2021	51,691.67	108.20	51,799.87
Additions during the year	41,514.59	-	41,514.59
Deletions during the year	(1,800.39)	-	(1,800.39)
Depreciation	(8,609.70)	(77.20)	(8,686.90)
Balance as at March 31, 2022	**82,796.17**	**31.00**	**82,827.17**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021 are as follows

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities		
Current portion	**5,926.24**	3,701.90
Non-current portion	**84,293.92**	53,078.46
Total	**90,220.16**	**56,780.36**

The movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Total lease liabilities as at beginning	**56,780.36**	51,566.45
Additions	**40,087.28**	10,840.02
Finance cost accrued during the year	**7,666.39**	5,663.76
Deletions	**(1,800.39)**	(1,856.92)
Payment of lease liabilities (net of sub-lease Income)	**(12,513.48)**	(9,432.95)
Balance as at the end of the year	**90,220.16**	**56,780.36**

The effective interest rate for lease liabilities is 9.1% for leases ranging between 1 to 3 years and 11% for leases ranging from 3 to 15 years.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

The details of the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	5,926.24	3,701.90
One to five year	35,464.48	19,818.10
More than five year	48,829.44	33,260.36

The Company does not face a significant liquidity risk with regard to its lease liabilities as the company believes that it will able to generate sufficient cash to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases and the leases which are under the process of renewal was ₹2,511.86 lakhs ((March 31, 2021: 1,202.56 lakhs) for the year ended March 31, 2022.The same has been netted of from rent concession received from landlord (refer note 47).

Rental income on assets given on operating lease to ₹ 198.52 lakhs(March 31, 2021- ₹57.02 lakhs) for the year ended March 31, 2022 which has been adjusted against lease liability during the year ended March 31, 2022.

The Company is in the process of getting the lease deeds registered for 43 leased premises in the name of the Company. The Company has not recognised right to use assets as per Ind AS 116 on these stores. Accordingly, rent paid for these stores have been debited to statement of profit and loss. Out of these 43 stores, for 21 stores stores, the Company has right to operate such store as per Master Franchise Agreement with Arvind Lifestyle Brands Limited (ALBL). The Company believes the delay in execution of MOU or lease agreement is largely due to procedural issues in executing such lease deeds which are beyond control of the Company. It further believes that there is no material liability devolving against the Company in this regard.

45 Pursuant to Asset Transfer Agreement (ATA) dated July 22, 2021 with Arvind Lifestyle Brands Limited ("ALBL"), a wholly owned subsidiary of Arvind Fashion Limited ("AFL") and subsequent agreements dated September 1, 2021, The Company has purchased certain identified Property, plant and equipment and Inventories of ALBL. In addition to this, the Company has paid against security deposit of 73 retail stores and one warehouse to ALBL. The total value of consideration amounts to ₹ 16,895.10 lakhs (net off recoveries as per the terms of ATA and other agreements as mentioned above, excluding GST). The details of assets so acquired are as follows:

Particulars	Amount
Property plant and equipments	5,407.27
Inventories	8,312.37
Security Deposits	3,218.13
Others (Net of adjustments)	(42.67)
Total	**16,895.10**

The transaction was effective from September 1, 2021 and the assets so acquired have been accounted as asset acquisition. In addition to above, the seller has provided certain assurance to facilitate transfer of lease deeds in favour of the Company, usuability of property, palnt and equipments for agreed period, etc. The Company has accounted all the adjustments identified so far in its books of accounts. The management is confident that there will be no material adjustment to the carrying value of assets so acquired and if any, the same are adequately backed up the terms of agreement as mentioned above.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

46 Consequent to uncertainties caused by COVID-19 pandemic, the Company has prepared a cash flow projections and also assessed recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories and other financial and non-financial assets. It also factored assumptions used in impairment testing of property, plant and equipment using various internal and external information up to the date of approval of these audited financial statements.

Further, the Company has re-assessed valuation and recoverability of inventory. In its assessment the management has considered projected sales, purchase, discounts, promotion schemes, other logistic costs, etc. It has carried out sensitivity analysis and based on the same it is of the view that provision for markdown and shrink is sufficient and appropriate to cover any loss that may arise due to various uncertainties involved.

On the basis of this evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and non-financial assets. The situation may though change giving rise to inherent uncertainty. The Company will continue to closely monitor any material changes required, if any, due to future economic conditions.

47 The Company has elected to apply the practical expedient of not assessing the rent concessions as a lease modification, as per MCA notification dated July 24, 2020 and June 18, 2021 on Ind AS 116 for rent concessions which are granted due to COVID-19 pandemic. Accordingly, it has accounted ₹ 1,583.79 lakhs which is netted from rent expenses for the year ended March 31, 2022 (₹ 1,202.56 lakhs which is netted from rent expenses for the year ended March 31, 2021 and ₹ 1,573.84 lakhs has been shown as income under head "Other income") on account of unconditional rent concessions confirmed in writing by the landlord.

48 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

49 The Company had made investment in commercial papers of Infrastructure Leasing &Financial Services (IL&FS) amounting to ₹ 979.94 lakhs, which were due for redemption on September 18, 2018. The aforesaid amount and interest thereon have, however, not been received as on date. In view of the fact that there was significant uncertainty on recovery of the entire amount, the management had made a provision of full amount ₹ 979.94 lakhs during the year ended March 31, 2019. The Company, however, continues to monitor developments on this matter and is committed to take steps including further legal actions that may be necessary to ensure full recoverability.

50 OTHER STATUTORY INFORMATION FOR FINANCIAL YEAR ENDED MARCH 31, 2022 AND MARCH 31, 2021:

(i) The Company do not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Company do not have any transactions with companies struck off under Section 248 of the Companies Act, 2013.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during each financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other) relevant provisions of the Income Tax Act, 1961.

(viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(ix) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 from the date of their implementation.

51 RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance (if any)
Current ratio (in times)	Current Assets	Current Liabilities	**2.27**	3.35	(32.24%)	Decrease due to increase in the current liabilities on account of increase in the Trade payable on account of increase in the procurement in last quarter. Further, there is an increase in lease liability - current portion due to increase in no. of stores.
Debt- Equity Ratio (in times)	Total Debt (including lease liability)*	Shareholder's Equity #	**1.06**	0.69	54.33%	Lease liability has increased in the current period due to increase in number of stores.
Debt Service Coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + loss on sale of Fixed assets,etc.	Debt service = Interest & Lease Payments + Principal Repayments	**1.97**	1.84	7.04%	Not Applicable
Return on Equity ratio (in %)	Net Profits after taxes – Preference dividend	Average Shareholder's Equity	**1.39%**	(0.97%)	(243.89%)	The Company has earned profit in the current year as compared to loss in previous year, which was mainly on account of decline in sales.
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	**1.99**	1.60	24.63%	Increase due to increase in sales as compared to previous year.
Trade Receivable Turnover Ratio ##	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	**-**	-	0.00%	Not Applicable

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance (if any)
Trade Payable Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	**5.52**	3.47	59.09%	Increase, due to increase in the Trade payable on account of increase in purchases.
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	**3.30**	1.74	90.32%	Increase in ratio is on account increase in sales in the current year as compared to previous year
Net Profit ratio (In %)	Net Profit	Net sales = Total sales - sales return	**0.70%**	(2.98%)	(123.54%)	Increase in ratio is on account increase in sales in the current year as compared to previous year
Return on Capital Employed (in %)	Earnings before interest and taxes ^	Capital Employed = Tangible Net Worth + Total Debt -Intangible assets including Goodwill$	**8.56%**	5.77%	48.23%	Increase on account of profit and increase in total asset base.
Return on Investment (in %)	Interest (Finance Income)	Investment	**3.17%**	1.15%	174.76%	Improved due to improved market condition during the current period. Further, the Company has invested idle funds received from QIP in mutual funds.

* Total Debt includes lease liability both current and non-current

represents shareholder's fund

The Company is into retail business and there are no trade receivable in the Company, accordingly ration is not applicable to the Company.

^ For the purpose of computation of EBIT adjustments are made for rental payment and deprication on right of use assets.

$ Total debt includes lease liability. Further, intangible assets includes right of use assets for the purpose of computation of capital employed.

52 DETAIL OF VARIANCE IN QUARTER RETURN FILLED WITH THE BANKS FROM THE BOOKS OF ACCOUNTS IN RELATION TO INVENTORY

Quarter ending	Value of Inventory per books of account	Value of Inventory as per quarterly return / statement	Discrepancy	Remarks
For each class of current asset				
June 30, 2021	36,507.91	36,628.34	(120.43)	The difference in stock statement filed with the bank and inventory as per quarterly / annual financial statements is mainly on account of adjustment of markdown provision in value of inventory accounted by the management at the time of finalisation of quarterly / annual financial statements. The Company has filled revised return with the banks which is duly acknowledged by banks at the year end.
September 30, 2021	56,013.91	59,414.78	(3,400.87)	
December 31, 2021	54,653.60	54,535.26	118.34	
March 31, 2022	66,751.67	66,822.28	(70.61)	

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

53 The Board of Directors of the Company, in their meeting held on May 25, 2022, recommended a final dividend of ₹0.75 per fully paid up equity shares of ₹ 10 each, aggregating to ₹148.12 lakhs for the year ended March 31, 2022, subject to the approval of shareholders at the Annual General Meeting of the Company.

54 The Company was awarded projects under the 'Deen Dayal Upadhyaya - Grameen Kaushalya Yojana' ("the Grant") from various state Government for encouraging youth employment. The Company, has received ₹ 2,018.09 lakhs (March 31, 2021: ₹1,852.84 lakhs) so far under such scheme. The Company has spent ₹ lakhs 3,404.82 (March 31, 2021: ₹2,043.68 lakhs) on the activities as agreed in the terms of such grant and certificate has been obtained by the Company from an independent auditor.

55 The figures for the corresponding previous year have been regrouped/ reclassified, wherever considered necessary including requirements of the amended Schedule III to the Companies Act 2013, to make them comparable with current year classification.

As per our report of even date
For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. F10732

Place: New Delhi
Date: May 25, 2022

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V MART

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