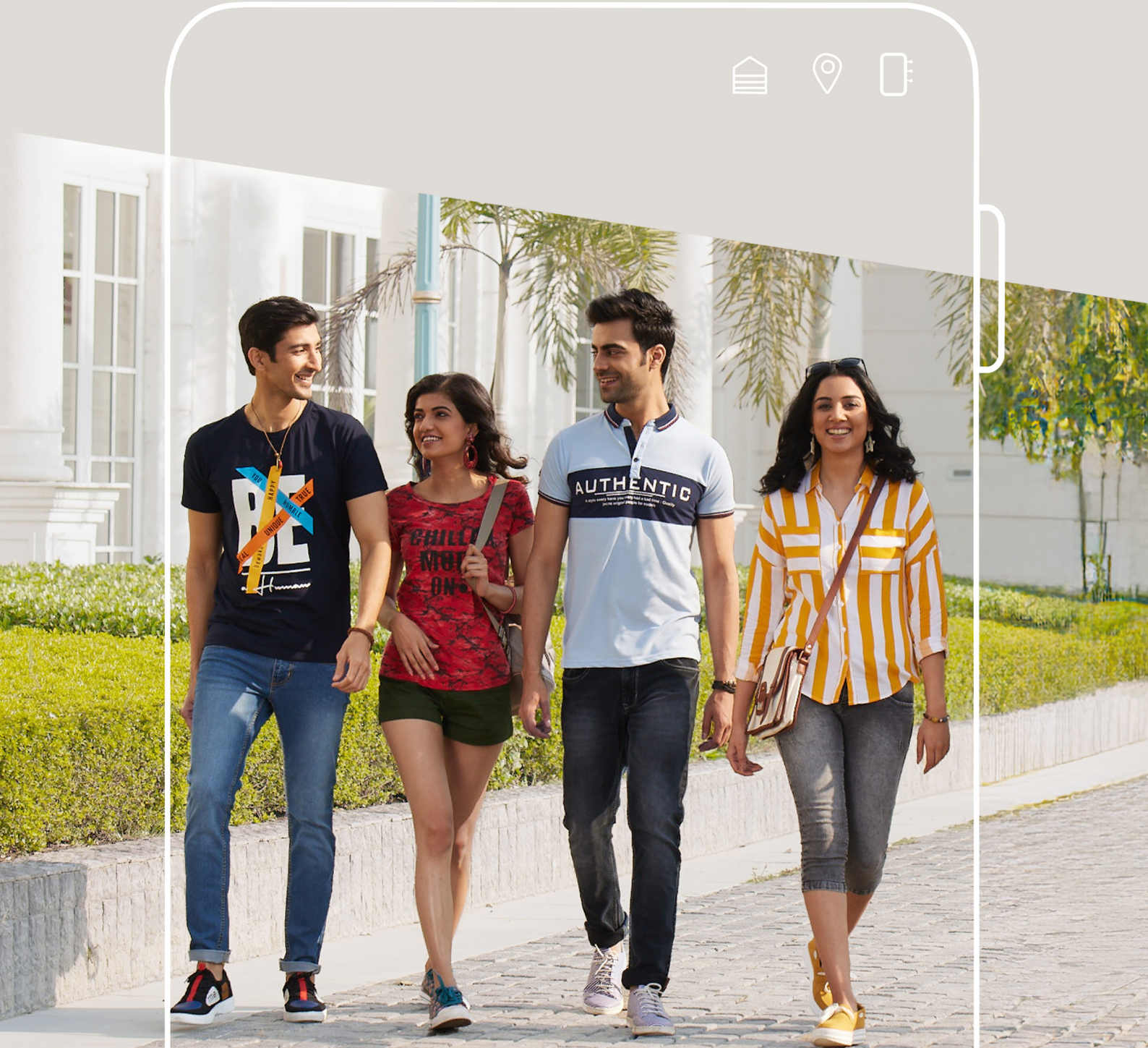
Integrated Annual Report
2022-23

BUILDING FUTURE-READINESS TO SCALE



What's Inside

Page 02

BUILDING FUTURE-READINESS TO SCALE



Page 12

LIMITLESS UNLIMITED



Page 14

BUILDING SYNERGIES WITH LIMEROAD



Page 48

CUSTOMER-CENTRICITY AT OUR CORE



04
Corporate Overview

02 Building Future - Readiness to Scale
04 Who We Are
06 Key Highlights of the Year
08 Journey
10 Broad-Basing our Total Addressable Market (TAM)
12 Limitless Unlimited
14 Extending TAM with LimeRoad
16 Products Portfolio
18 Market Presence

20
Performance Overview

20 Chairperson's Statement
24 Managing Director's Message

26
Our Approach to Value Creation

26 Value Creation Model
28 Materiality Assessment
30 Stakeholder Engagement
34 Strategic Objectives
38 The V-next Strategy
40 Governance

50
Our Capitals

50 Capital Harmonisation
52 Financial Capital
56 Manufactured Capital
60 Intellectual Capital
66 Natural Capital
72 Human Capital
78 Social and Relationship Capital
86 Awards and Accolades
87 Corporate Information

88
Statutory Reports

88 Management Discussion & Analysis
110 Notice
120 Board's Report
145 Corporate Governance Report
170 Business Responsibility & Sustainability Report

211
Financial Statements

211 Independent Auditor's Report
220 Balance Sheet
221 Statement of Profit and Loss
222 Cash Flow Statement
224 Statement of Changes in Equity
225 Notes to Financial Statements
284 GRI Content Index

Our Approach to Reporting

We are proud to present our 21st Annual and 4th Integrated Report, which provides comprehensive insights into the Company's business operations, performance, stakeholder value creation approach, and business model. The report highlights how the Company's strategic planning and execution generate value across the short, medium, and long term. We invite you to delve into the details of our achievements and discover how our business practices align with our commitment to creating sustainable value for all stakeholders.

Scope and Reporting Boundary

This Integrated Annual Report encompasses the Company's financial reporting, as well as non-financial performance, opportunities, strategic objectives, risks, and outcomes that are relevant to our key stakeholders. We aim to provide a comprehensive overview of our business operations, considering both financial and non-financial aspects, to ensure transparency and accountability to our stakeholders.

Our business model revolves around building long-term stakeholder relationships as a value retailer specialising in fashion apparel, home goods, and daily household necessities. We prioritise comprehensive social, ethical, and environmental policies and practices to effectively manage our overall business impact.

Reporting Framework

The financial and statutory data, presented in the Integrated Report & Annual Accounts for FY 2022-23 is in line with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards issued by The Institute of Company Secretaries of India.

The report on ESG parameters is prepared in accordance with the Integrated Reporting framework of the International Integrated Reporting Council (IIRC) and discloses performance against Key Performance Indicators (KPIs), which are aligned with Global Reporting Initiative (GRI), the requirements of Business Responsibility & Sustainability Reporting issued by the Securities and Exchange Board of India (SEBI).

Reporting Period

The financial information presented in this report covers the period from April 1, 2022 to March 31, 2023 (unless stated otherwise). To provide stakeholders with a comprehensive view, we have included comparative figures for the last three to five years on financial, operational, and stakeholder metrics.

Our Approach to Materiality

We prioritise material issues that significantly impact our ability to create value for stakeholders. These issues are identified based on their potential to influence our business viability, social relevance, and stakeholder relationships. The economic & governance, social, and environmental context in which we operate also shapes our material issues.

Management Assurance

To ensure governance oversight of material disclosures, senior management of the company has reviewed the contents of this report.

Forward-looking Statements

Certain statements in this report regarding our business operations may be forward-looking. These statements, excluding historical facts, include financial position, business strategy, management plans, and objectives for future operations. They represent our current expectations based on reasonable assumptions, but they do not guarantee future results.

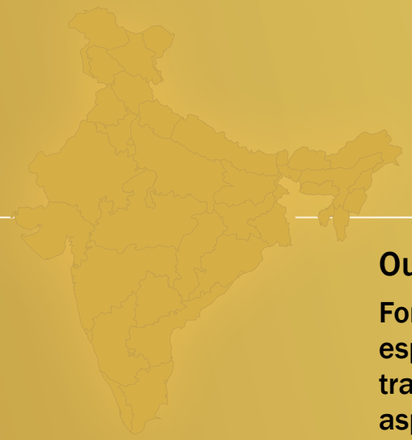
Stakeholder Feedback

For any concerns or feedbacks, reach out at **cs@vmart.co.in**

BUILDING FUTURE-READINESS TO SCALE

We are a prominent player in the Indian retail space. Having started from a single store in 2003, we had only one vision in mind: To be the #1 value fashion omni-retailer of Bharat. Today, we stand here as a value fashion retail powerhouse because we have been able to cater to the needs of people belonging to all strata of Bharat and play our part in glamorising even the remotest of towns and cities in the country.





Our Bharat

For us, Bharat represents the essence of rural India, especially Tier II, III and IV cities, encompassing traditional values, regional pride, and evolving aspirations. It symbolises the rich cultural heritage, close-knit communities and agrarian lifestyle deeply rooted in ancient traditions.

Tier I	Tier II	Tier III	Tier IV
State Capitals (Including metro cities)	Population of >10 Lakhs (excluding State Capitals and metro cities)	Population between 2 Lakhs and 10 Lakhs	Population <2 Lakhs

In recent times, Bharat has witnessed a transformation, embracing fusion fashion, and preserving its unique identity. This shift reflects a growing desire to blend tradition with modernity, celebrate regional craftsmanship, and express individuality. Bharat's evolving aspirations highlight the harmonious coexistence of tradition and innovation, contributing to a diverse and inclusive fashion landscape in rural India.

The last few years have been challenging for the economy and the industry. However, similar to the increased aspirations of Bharat, we demonstrated immense resilience and continued to focus on expanding our capabilities and reach to increase our total addressable market.

On one hand, we continued to expand our geographical reach through new store openings and increasing our presence in the South through our Unlimited Stores, and on the other side, venturing into the digital realm through strategic integration with LimeRoad and a stronger emphasis on vmartretail.com and other digital channels.

In addition to this, there has been an increase in the number of retail players over the last few years, reaffirming the India growth story. As competition in the retail space intensifies, we are confident in our integrated value proposition, coupled with our cognisance of the needs of all segments of customers, to enable us to stay ahead of the curve.

With an optimistic outlook on India's growth story, we are poised to leverage our capabilities and cutting-edge technology to drive sustainable growth over the foreseeable future.

At V-Mart, we continue to evolve, innovate, and shape the future of retail in Bharat.

Who We Are

CATERING TO BHARAT'S NEEDS

As one of Bharat's leading retail value chains, we firmly believe that fashion is not just a form of self-expression, but a means of embracing individuality and style without compromising on quality and value.

Our ambition is to ensure we can fulfil the aspirations of each and every individual in the country. With meticulous attention to detail using analytics and experience, we have curated an exquisite collection of fashion apparel, elegant footwear, alluring home furnishings, and an extensive range of everyday essentials, catering to the diverse needs of every Bharat.

In order to increase our total addressable market, we embarked on a transformative journey with the acquisition of Unlimited chain of Stores in 2021-22. Building on the momentum, our recent addition of the highly-acclaimed marketplace LimeRoad has injected our fashion universe with a vibrant blend of fresh perspectives and innovative ideas. Together, these strategic moves have propelled us into a new era of fashion excellence, fueling our commitment to deliver unparalleled experiences and staying at the forefront of industry trends.



Guiding Principles

Belief
We believe that looking good and living joyfully should not cost too much and should be afforded by every human being on earth.

Purpose
We exist to fulfil people's aspirations and create value for the entire ecosystem.

Vision
Be the #1 value fashion omni-retailer of Bharat.

Mission
To serve the youth & young Indian families in Tier 2, 3 and 4 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.

Key Highlights

423
No. of Stores

9,333
No. of Permanent Employees

426 Lakhs
Footfall

Our Business Segments



Apparel
Our extensive collection ensures that we have something special for everyone, and especially targeting young families, which constitute 60-70% of our customer base. Our average selling price illustrates our dedication to providing high-quality products at a reasonable price. We have a sizeable private label market share, demonstrating our commitment to quality and exclusivity. Year after year, we have seen sustained growth, solidifying our market position.

₹ 1,95,460
Revenue (Lakhs)

₹ 410
Average Selling Price (Apparel)

3%
ASP Growth Y-o-Y

79.3%
Revenue Share



Non-apparel
We deal in various non-apparel categories, such as footwear, fashion accessories, toys and games, and home and lifestyle products enhancing and complementing our existing product portfolio. They are carefully selected to meet the diverse needs of our customers, providing them with a complete shopping experience.

₹ 27,360
Revenue (Lakhs)

11.1%
Revenue Share



Kirana Bazar (FMCG)
Our Kirana segment specialises in food, non-food, and staple items. We understand the importance of providing essential products to our customers' households. By diversifying our product offerings beyond apparel, we prioritise the satisfaction and convenience of our customers. This category enables us to provide a comprehensive shopping experience for the entire family. We understand the importance of convenience and by offering a wide range of products under one roof, we aim to make the shopping experience hassle-free and enjoyable for our customers.

₹ 23,660
Revenue (Lakhs)

9.6%
Revenue Share

Key Highlights of the Year

ACHIEVING EXCELLENCE THROUGH CONTINUOUS EXECUTION

Financial Capital

Financial capital refers to the financial resources and capital structure of a company that plays a pivotal role in enabling the creation of value for stakeholders in a constructive and sustainable manner.

Page 52

₹ 2,46,484
Revenue from operations (Lakhs)

4.9%
Return on Capital Employed (ROCE)

₹ 84,900
Total shareholders equity (Lakhs)

48%
Y-o-Y Revenue growth

Manufactured Capital

Leveraging the full potential of our store facilities and digital infrastructure to optimise operations and provide an unparalleled customer experience.

Page 56

423
No. of stores

37
Lakhs sq ft total retail space

2
Warehouses

Intellectual Capital

Utilising the private label contribution matrix along with an excellent supply chain process, we aim to enhance customer satisfaction and loyalty.

Page 60

3
Store/marketplace brands

8
Private labels

53%
Private label contribution in apparel sale

Human Capital

The human capital at V-Mart places a strong emphasis on collaboration and teamwork, recognising the importance of collective effort in enhancing productivity and optimising resource utilisation.

Page 72

9,333
Total permanent employees

2,251
Permanent women employees

97%
Share of employees who were provided training for skill upgradation

Social and Relationship Capital

The accumulation of social and relationship capital plays a pivotal role in V-Mart's ability to cultivate trust and collaboration with its stakeholders and the wider society.

Page 78

>38,500
Beneficiaries count (No.)

₹ 61
CSR spending (Lakhs)

3,503
Trade vendors (No.)

400+
Students impacted through education drive

Natural Capital

Recognising the vital importance of natural capital drives us to embrace a comprehensive and sustainable approach to development, where economic progress, societal well-being, and environmental stewardship are interconnected and mutually supportive.

Page 66

21 States
Plantation drive

80%
Recycled materials used in packaging

4.5 tonnes
Material recycled per year (Metal Scrap reused)

4,200
RO wastewater utilisation (litres/day)

38,000+
Plants planted (including warehouse and near stores)



Journey

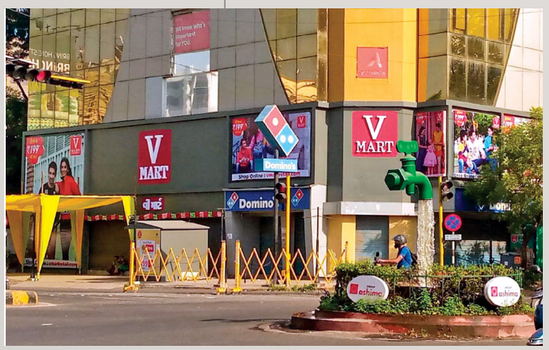
TRACKING OUR JOURNEY OVER THE YEARS

2002

Incorporated as **Varin Commercial Private Limited**

2003

Opened our first store in the state of **Gujarat**



2008

Converted into a Public Limited Company
1st PE Investment

2013

IPO – Got listed as a **public company**

NSE

BSE
The Power of Vibrance

2016

Crossed **10 Lakh sq ft**

2017

Crossed **1,000 Crores** total revenue milestone

2018

Embarked on expansion in Tier IV towns

2020

Launched our e-commerce channel **'vmartretail.com'**



2021

Raised ₹ **37,500 Lakhs** through QIP

2022

Integrated online marketplace **LimeRoad**



2023

Pan-India presence - acquired **Unlimited**



BROAD-BASING OUR TOTAL ADDRESSABLE MARKET (TAM)

Since our inception, we have been striving to ensure that we can cater to Bharat's fashion needs, especially the underserved segments of the Tier-II, III and IV cities, majorly belonging to the lower to middle-income groups. As a result of our concerted efforts, we have emerged as a household name in these regions.

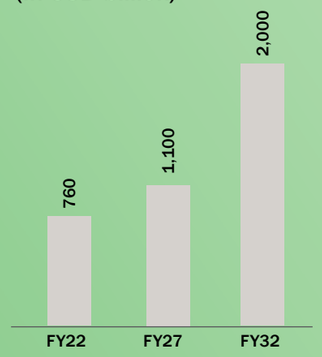
Bharat perspective

Besides possessing the largest population in the world, what truly set Bharat apart from the rest is the diverse cultural and economic backgrounds that the populace is divided among. Each of them has their unique preferences and taste. Over the years, we have witnessed that opportunities are galore in our space.

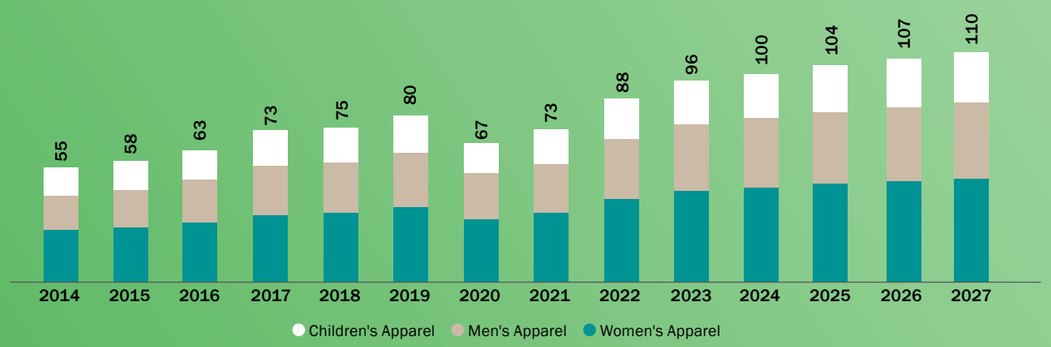
On one hand, it is one of the largest and most lucrative retail destinations in the world.

On the other, it has become increasingly fashion-conscious, complemented by the largest population in the world.

Projected growth of the retail sector (In USD billion)



Projected revenue from the apparel market (In USD billion)



V-Mart's response

We were always certain that in order to grow and gain a greater share of the retail and fashion pie, it was imperative to expand our horizons and diversify our offerings to capitalise on the opportunities that Bharat possesses. We took a significant stride towards this vision through the strategic acquisitions of Unlimited and LimeRoad.

In FY2021-22, we acquired 74 Unlimited stores. There were primarily two reasons behind this acquisition

Geo Expansion

We are able to penetrate the Southern Markets where we were previously not present.

Customer Segment Expansion

This allows us to target the slightly wider segment in Tier 1 towns also

We integrated one of India's most loved e-commerce platforms and marketplace, LimeRoad in FY 2022-23.

Building customer trust offline and online with wider Audience Reach

- Wide geographical presence of offline stores supplemented by LimeRoad, powered by online and offline marketing campaigns
- Equips us with the capabilities to cater to the needs of a much wider audience, by eradicating the inventory and logistical issues associated with the offline format

Diverse Product Offerings

We can meet the needs of our diverse customer base across India, with a wide range of products that cater to regional preferences and occasions. Online sellers along with 423 physical stores provide a convenient and accessible way for customers to shop for the products they need, regardless of where they live

Cross-Selling Opportunities

This allows us to offer our customers the ultimate fashion experience, whether they're shopping in-store or online. We can cross-sell products that are not available in our physical stores, and we can also replicate the seller of one channel to other channels, so that our customers can always find what they're looking for

Addressing current opportunities.

LimeRoad's women-centric portfolio provides a wide range of fashion and occasion-appropriate apparel that meets the needs of women of all ages and styles which extends the opportunity to scale up the mix of women wear in our product offering.

Expanding customer segment

This allows us to tap into the growing market of fashion-conscious millennials and Gen-Zs, who are always looking for new and exciting ways to express themselves

Endless Aisle

LimeRoad allows us to showcase and retail inventory from infinite sources, including our physical stores to extremely large and diverse customer base across India

Enhanced customer, product, and marketing Insights

By getting to know our customers better than ever before, we can create more irresistible marketing campaigns and stock our shelves with the products they crave the most. It's like having a crystal ball into the future of fashion. Further, we have an opportunity to sell private labels by leveraging data-driven insights to create a more relevant and differentiated customer experience, which will enhance our revenue potential.

We truly believe that these strategic acquisitions & integrations have placed us in an extremely attractive position and enabled us to significantly increase our total addressable market. From V-Mart for a particular segment, we are transitioning to a V-Mart for all.

LIMITLESS UNLIMITED



In FY 2022-23, we undertook the strategic decision of acquiring 'Unlimited' retail store chain to expand our footprint in the growing markets of southern India.

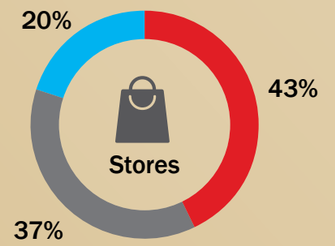
Leveraging Unlimited's Success

The acquisition of Unlimited has opened up a huge potential for expansion in the southern region of India. This region has a higher per capita income, higher literacy rate, and more aspirational customers than our legacy states of operations. Additionally, smaller towns (Tier II and III) in this region have more disposable income to spend on discretionary expenses.

Stores have experienced remarkable success since the acquisition. It has seen strong growth and unwavering resilience. Stores have exceeded expectations and maintained their upward trajectory.

One of the key factors behind Stores' success has been its strategic adjustment of prices and product offerings. This has helped to attract low-income customers and widen the customer base. Additionally, Stores' concerted focus on the Unlimited business has resulted in an incredible turnaround. In just one and a half years, Unlimited has become a profitable business.

80% Unlimited Stores EBITDA Positive*



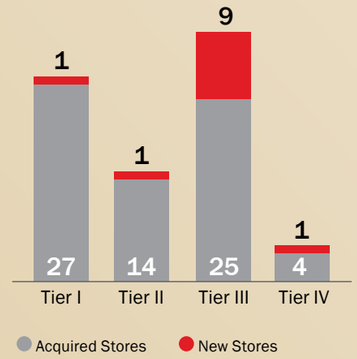
* Pre-Ind AS 116

The performance of Unlimited Stores in different market tiers revealed interesting trends. Tier I markets, typically consisting of major cities and urban centres, outperformed Tier II, Tier III, and Tier IV markets. This aligns with the overall recovery of the retail sector, indicating that urban areas were quicker to bounce back from the impact of the pandemic.

As part of the expansion strategy, we have opened 12 new stores in the South while simultaneously closing three underperforming stores. The total Unlimited stores are 82, combined with 341 V-Mart stores, making it a total of 423 stores nationwide. Showcasing the Company's commitment to expanding its presence across the country.

The new stores in the Southern region have been particularly successful, contributing significantly to the overall growth of Unlimited, making fashion truly limitless in the area.

Tier III-Focused Expansion



UNLIMITED

The Turnaround of the Unlimited business

12
New stores opened in South India

18%
Revenue contribution from Unlimited

25%
EBITDA contribution from Unlimited

EXTENDING TAM WITH LIMEROAD

In a game-changing strategic decision to amplify our market presence and share, we integrated LimeRoad, one of India's most loved e-commerce platforms, that focuses on fashion and lifestyle products in October 2022. LimeRoad possessed the same vision of market expansion as us.

Embarking on a journey to satiate the desires of aspirational youth, delivering a seamless blend of convenience and remarkable value!



This integration marks the beginning of a new road, where we reaffirm our dedication to promoting prosperity and enriching the lives of fashion-conscious individuals, and further strengthen and populate our reach in tier II, tier III and tier IV cities.

With this strategic integration, we bring together the powerful combination of V-Mart's expertise and LimeRoad's digital strengths. Our shared vision is rooted in the founding ethos of making affordable and fashionable apparel accessible to every corner of India.

Key Highlights*

Fuelling growth with a thriving base of

150 Lakhs

active customers, while opening doors to an expansive and untapped value-seeking market.

17,000+
Pin codes are being served by LimeRoad

80%+
of the value fashion market in unorganised. Huge open space for disruption

5,000+
Vendors unite to elevate the supply chain

180 lakhs
Visits in March 2023

80%

100 Lakhs
Monthly Active Unique Users (MAUV) in March

70%

40%+
V-Mart's conversion to order on LimeRoad (Higher than all other marketplaces)

88%
Net merchandise value growth**

Note: *All numbers above are for Mar-23 and growth rate is Mar-23 vs pre-integration (Oct-22).
**In the first 5 months post-integration, LimeRoad grew 88% on revenue (Net Merchandise Value)

Leveraging LimeRoad's Strengths to Empower Fashion

Celebrity and ramp wear styles at unbeatable prices

Seamless exploration across online and offline channels- omni channel



Optimised for negative working capital

A trusted brand, both online and offline

Products Portfolio

WHERE DIVERSITY MEETS EXPECTATIONS

With a carefully curated range of affordable and high-quality products, we have built a diverse collection that caters to the evolving needs of every family member. From children to adults, we strive to fulfil the aspirations of customers across age groups and cultural backgrounds, in the emerging aspirational market of India.



Product Offering

Apparel

79%
sales contribution

Men

- Casual Wear
- Formal Wear
- Ethnic Wear
- Sports and Active Wear
- Inner Wear

Women

- Western Wear
- Ethnic Wear
- Sports and Active Wear
- Inner Wear

Kids

- Boys
- Girls
- Infant Boys/Girls
- Accessories

Non-Apparel

11%
sales contribution



- Home Needs
- Footwear
- Toys and Games
- Fashion Accessories
- Inner Wear
- Bags/Luggage

Kirana Bazar (FMCG)

10%
sales contribution

- Non-Food
- Food
- Staples



V MART · UNLIMITED · LimeRoad

Market Presence

BUILDING OMNI PRESENCE

Established in the year 2002, we commenced our operations by inaugurating our first store in Gujarat in 2003. Over the years, we have witnessed significant expansion and evolution, strategically establishing our presence across diverse regions of India. Simultaneously, we have diligently enhanced our omnichannel capabilities while upholding the utmost dedication to our core values.

423
Stores

26 States
(Including Union Territories)

242
Omni present Stores

Online Delivery in
17,000+
Pin codes

5 Cr
Total active base customer

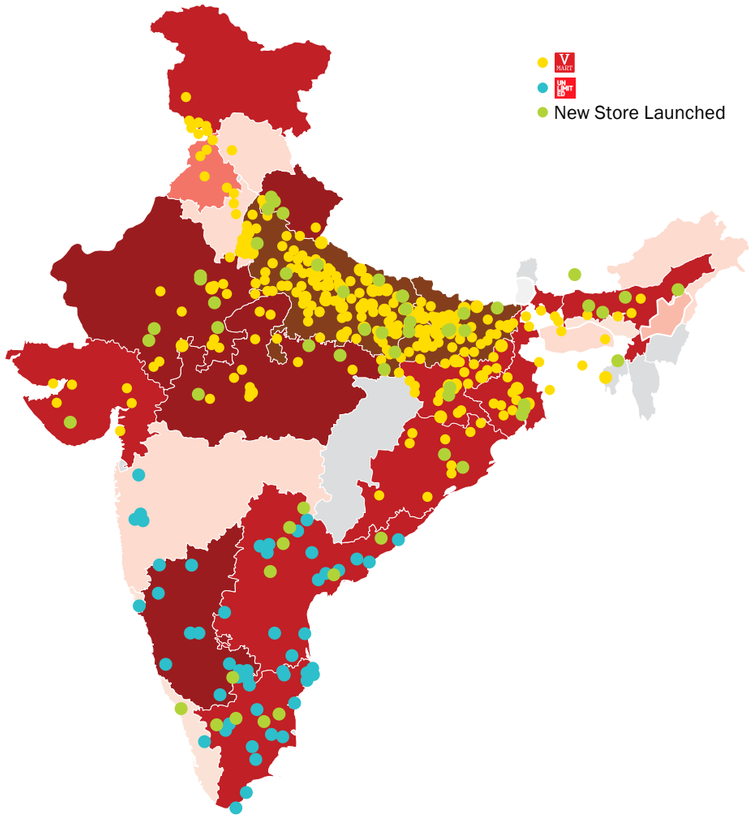
Stores in
272
Cities



Our Company has undergone a remarkable transformation, evolving from a single store to a multi-regional powerhouse with a cluster approach that has propelled our expansion across various regions of India.

In FY23, we opened the highest number of new stores (59) across India. Throughout our journey, we remain dedicated to innovation, customer-centricity, and adapting to market dynamics as we continue to excel in the retail industry.

Extensive Market Penetration in India



Total Stores as on March 31, 2023

States/UTs	2022	2023
Uttar Pradesh	122	**132**
Bihar	55	**56**
Jharkhand	24	**24**
Tamil Nadu	22	**26**
Karnataka	20	**19**
Rajasthan	17	**23**
West Bengal	17	**18**
Madhya Pradesh	14	**17**
Telangana	14	**18**
Uttarakhand	10	**13**
Andhra Pradesh	9	**11**
Assam	8	**14**
Jammu and Kashmir	8	**8**
Odisha	8	**10**
Gujarat	7	**7**
Delhi NCR	6	**5**
Maharashtra	5	**5**
Punjab	5	**4**
Haryana	3	**4**
Arunachal Pradesh	1	**1**
Goa	1	**1**
Himachal Pradesh	1	**1**
Kerala	1	**2**
Meghalaya	1	**1**
Tripura	1	**2**
Chandigarh	0	**1**
Total	**380**	**423**

59 New
Stores added this Year

158 Stores
In Tier I and II Cities

265 Stores
In Tier III and IV Cities

82
Unlimited Stores

341
V-Mart Stores

82%
Online orders delivery from stores

Chairperson's Statement

LEADING THE WAY WITH A VISION



59
New Stores opened

14%
Increase in Retail Space

Dear Valued Stakeholders,

The very core of our existence revolves around our vision: To make value fashion available to the people of Bharat, providing them with a diverse array of options through both online and offline channels. As we embark on the next phase of our growth journey at V-Mart, I am delighted to share the accomplishments and progress defining our success during the bygone fiscal and our prospects in the ones ahead.

In order to ensure we were able to continue reaching out to more and more people till the last mile, we made significant investments over the last two years. Firstly, in a bid to establish our presence in southern Bharat, we undertook the strategic decision of acquiring Unlimited. In addition to this, we have channelised significant efforts and resources towards making our presence felt more palpably in the online space via our strategic integration with LimeRoad. Finally, we also invested towards strengthening our supply chain for omnichannel fulfilment by investing in centralised warehousing to cater to customer orders directly from the warehouse as well as the stores. Our Vision to provide Value fashion to Bharat customers has been the guiding force for all our strategic decisions.

Over the years, we have strategically expanded our presence across the country. During the year under review, we continued this expansion roadmap taking our total count to 423 stores compared to 380 in the previous year; our total retail space increased to 37 Lakhs sq ft from 33 Lakhs sq ft, and customer footfall increased from ~290 Lakhs to ~430 Lakhs during the same period. We have been reiterating for the last couple of years that our goal is to become one of the leading omnichannel players in the value retail space. Till last year we had taken baby steps towards online, and this year we acquired LimeRoad to strengthen our omnichannel presence, where we will continue to invest for the next few years.

"We have invested significantly towards honing the skills of our workforce, which would enable them to understand the changing needs of our customers better and offer them products customised to their specific needs with greater ease. Furthermore, when entry price points rose, we tweaked our merchandising and product design enabling us to satisfy our customer needs and attract more customers."

It is no secret that customer-centricity forms the core of any retail business. At V-Mart, everything we do revolves around our customers, a culture that the entire organisation boasts of, starting from the front-line employees to senior leadership teams. Throughout the year, we continued to focus on enhancing the experience of our customers. Through our endless aisle concept, customers can access our complete product range, even those not available in-store due to space constraints. This seamless shopping experience is further enhanced by our store fulfilment option, allowing customers to buy products online and return them in-store or vice versa. Our online platform offers a wider selection of products, integrating both online and offline inventory to ensure popular items are always in stock, reducing marketing costs, and boosting customer satisfaction. Our physical and digital presence expands our total addressable market and fosters customer trust.

On the performance front, despite a tough macroeconomic environment, the Company performed commendably to deliver value for our entire stakeholder family during FY 2022-23. We battled surging inflation and intensifying competition and emerged stronger. Our relentless focus on efficiency and customer-centricity has yielded outstanding financial results. We opened 59 new stores, the highest in our history, and achieved sales per square foot of ₹ 742 per month for the new stores. We are pleased to report Y-o-Y sales growth of 48%, resulting in our highest-ever sales, which was even higher than our pre-COVID numbers of FY 2019-20 at the overall level.

This could be attributed to our adaptability, our focus on business innovation and our investments in every V-Martian. We have invested significantly towards honing the skills of our workforce, which would enable them to understand the changing needs of our customers better and offer them products customised to their specific needs with greater ease. Furthermore, when raw material costs, we tweaked our merchandising and product design enabling us to satisfy our customer needs and attract more customers.

Chairperson's Statement

In the past year, we have established a comprehensive ESG framework and implemented robust reporting mechanisms. Through the efforts of our cross-functional teams for Project Planning, we have gained valuable insights into our current state of reporting and have defined a clear ESG Vision & Mission for V-Mart.

~10,000*
Total V-Martians

~6,300
Candidates enrolled under our Skill Development Programme

*This number includes both permanent and non-permanent employees.

The main pillar responsible for our success is our force of 10,000 V-Martians. Employee centricity lies at the core of our values, and we are committed to creating a supportive and inclusive workplace where each team member feels valued, empowered, and heard. We prioritise the well-being and professional development of our employees, offering various training opportunities, career advancement programs, and a nurturing environment that fosters creativity and innovation. Wherever we are today as a Company, is a direct result of the unwavering commitment and loyalty displayed by them every single day. We are also proud to launch an exclusively women-managed and led store in Meghalaya staying true to our commitment to diversity and inclusion.

We truly believe that for an organisation of our size to sustain itself, upholding the highest levels of governance becomes imperative. At V-Mart, we operate within the governance framework that centres around ethics, responsibility and transparency. The Golden Peacock Award acknowledged our relentless commitment to implementing robust corporate governance practices, honouring us in the esteemed category of 'Excellence in Corporate Governance'. While I had the privilege of accepting the award on behalf of the V-Mart team, it is crucial to acknowledge that this achievement was made possible by the collective efforts and dedication of our entire team.

At V-Mart, doing business for the sake of it is not enough, but doing it in a way that creates a positive impact on every stakeholder associated with us. I am pleased to share with you that we have established a comprehensive ESG (Environment, Social, and Governance) framework and implemented robust reporting mechanisms. Through the efforts of our cross-functional teams for project planning, we have gained valuable insights into our current state of reporting and where we are in our ESG goals.

In line with our commitment to sustainability, this year's focus is on Scope 1 emissions and conducting independent lifecycle assessments across our enterprise processes. Moreover, we are delighted to inform you that we have achieved our set goals concerning water and energy conservation and have embraced environmentally-friendly practices along our entire supply chain.

Social responsibility is at the heart of our initiatives, as we prioritise the well-being of our employees, support diversity and inclusion, and actively engage in community development projects. Our robust governance framework ensures transparency, accountability, and ethical decision-making across all levels of our organisation. One particular initiative that we are extremely proud of is how we have been able to provide employment opportunities to the unemployed youth through our skill development initiative in line with the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) Skill Development Programme initiated by the Ministry of Rural Development. Since its inception, we have enrolled nearly 6,300 candidates and most of these individuals have gone to work for some of the prestigious retail companies in the country, across a wide spectrum of roles. There is a lot more to be done on the Environment and Social front, and Team V-Mart is fully committed to bringing about positive changes in these areas.

I wholeheartedly believe that the future ahead is one that is filled with immense opportunities. India is already the fourth-largest retail market and the second-largest internet market in the world. After a couple of years of muted consumer sentiment, we witnessed the gradual K-shaped recovery of the segment during the year under review and is well and truly on its way to reaching the projected market value of US$ 2 trillion by 2032. The immense potential of the industry has lured more and more players to enter the fashion retail space over the last few years and perhaps, more will be added over the foreseeable future.

However, as the competition intensifies, we remain confident in our own abilities to continue growing and addressing the needs of Bharat. Over the years, we have been able to carve out a name for ourselves by being a mass brand. Embracing a mass-market approach has remarkably impacted our overall success and profitability over the years, and has become the cornerstone of our growth saga. This tactical approach has allowed us to cater to a vast and diverse customer base. By offering a broad range of products and services at affordable prices, we have been able to attract a larger pool of customers from demographics and income levels who prioritise 'mass' over' 'class', 'needs' over 'wants' and 'value' over 'price' any day. We are assured that this approach will continue to propel our ascend in the business world over the short, medium and long term.

We are building the V-Mart of the future, where every Indian will be our customer through a seamless omnichannel experience. The next few years would be a consolidation phase at V-Mart. We plan to stay ahead of the competition and continue our growth trajectory in the retail industry by systematically sharpening prices and offering trendy merchandise. We are eager to improve our stores' external and internal appearances by giving them an aesthetic makeover. With each passing day, we will persevere with our expansion strategy to reach out to more and more customers, offline and online.

We plan to stay ahead of the competition and continue our growth trajectory in the retail industry by systematically sharpening prices and offering trendy merchandise. We are eager to improve our stores' external and internal appearances by giving them an aesthetic makeover. With each passing day, we will persevere with our expansion strategy to reach out to more and more customers, offline and online."

I want to finish my message with a quote that I believe truly embodies everyone at V-Mart:

"If you are working on something exciting that you really care about, you don't have to be pushed. The vision pulls you"

– Steve Jobs

Our goal to serve Bharat is our purpose of existence and will continue to be the core of everything that we do. I extend my heartfelt gratitude to each one of you for being an integral part of our journey and for your unwavering belief in our vision. Together, we will continue to fulfil the fashion aspirations of every Bharatiya, wherever they are, at optimum value.

Thank you.

Aakash Moondhra
Chairperson

Managing Director's Message

EMBRACING CHANGE AND INSPIRING EXCELLENCE



I am pleased to present to you, our Annual Report for FY 2022-23, and I want to express my pride in the remarkable dedication demonstrated by our employees during a challenging year of economic uncertainty and dampened consumer sentiment. However, our unwavering commitment to our values and roots, which have propelled us to become a household name and a multi-regional powerhouse from a single store, has ensured that no challenge can hinder us from achieving our goals."

48%
Increase in revenue over the previous year

32%
Increase in EBITDA over the previous year

Despite the global economic slowdown, I am filled with optimism about India's ability to tackle the situation. India has continued to be the fastest-growing economy among major economies, and we at V-Mart have kept pace with the recovery of the country and the ever-evolving needs of consumers by investing in our internal capabilities and broadening our offerings.

I am proud to announce that we achieved our highest-ever sales during the year, with revenues of ₹ 2,46,484 Lakhs, marking a 48% increase over the previous year and a 45% increase over pre-COVID levels in FY 2019-20. Our EBITDA stood at ₹ 26,891 Lakhs, representing a 32% increase over the previous year. While we recorded a net loss of ₹ 785 Lakhs, it is essential to consider the investments and expenses we incurred to ensure a sustainable roadmap.

Our expenses during the year increased by approximately 49% to ₹ 2,49,282 Lakhs. This increase can be attributed to the impact of acquiring the LimeRoad business and our dedicated focus on growing our online business, including operational expenditure for both V-Mart and LimeRoad. We have made significant investments in marketing, technology, delivery, and fulfilment for our online business. As online businesses continue to flourish in the era of Digital India, we will continue to invest in this area, expecting LimeRoad to emerge as one of our strongest pillars of growth, just as the Unlimited Business achieved a profitable turnaround in just 1.5 years.

Throughout the year, we made investments of 27,790 lakhs. These investments included 10,924 lakhs for the establishment of our warehouse and 7,031 lakhs for the process of integration with LimeRoad. We also invested in opening 59 new stores, refurbishing existing stores, and IT-related expenses, among others. We have already seen slight improvements in our overall working capital cycle due to increased payable days and improved inventory control. We recognise that technology is rapidly evolving, and future investments in technology will be recurring phenomena in our stores as we strive to provide the best customer experience.

We have been diligent in managing our expansion by continuously assessing the performance of our stores on a monthly basis. Over the past two years, we experienced an increase in store closures, primarily affecting stores from the 2019 and 2020 cohorts that did not meet our expectations in terms of service, throughput, and profitability due to the impact of the COVID-19 pandemic. We believe that the necessary closures have largely been completed, and we do not anticipate any significant closures this year. We opened 47 new stores in the northern region and 12 in the southern region under our Unlimited brand. Additionally, we closed 16 non-performing stores, consisting of 13 V-Mart stores and 3 Unlimited stores.

Our focus on digitalisation has been paramount, both externally for our customers and internally within our operations. We have implemented various digital initiatives to enhance the customer experience and provide convenience in both online and offline shopping. Internally, we have embraced digitalisation to improve processes, enhance accuracy, and optimise forecasting. By leveraging digital tools and technologies, we have streamlined our operations and are reaping the benefits.

We firmly believe that digitalisation is the key to our future success. It enables us to meet evolving customer expectations, improve operational efficiency, and make data-driven decisions. By embracing technology and digital transformation, we are well-positioned to adapt to the changing retail landscape, deliver value to our customers, and drive growth and profitability for our Company.

To strengthen our capabilities and gain a competitive advantage, we have established a core internal design team and restructured our merchandising department into three distinct parts: designing, buying, and sourcing. This strategic development has given us a robust design team led by a skilled design head, allowing us to track fashion trends similar to industry leaders. We are dedicated to curating fashion that aligns with our customers' preferences and requirements. Additionally, we have enhanced technical expertise and product quality through the creation of a specialised technical and quality department. This team focuses on elevating quality standards and exploring innovative fabric development. We collaborate with fabric companies and mills to introduce new advancements on our shelves while striving to reduce product costs. Furthermore, we have established a separate sourcing department to focus on cost benefits, detailed costing analyses, and enhancing vendor scalability and quality aspects. These departments, combined with our comprehensive planning strategies, have embraced digitalisation and analytics, enabling effective planning and decision-making processes throughout our operations.

Looking ahead, we are investing in our capabilities today to meet the demands of aspirational Bharat tomorrow."

Looking ahead, we are investing in our capabilities today to meet the demands of aspirational Bharat tomorrow. We understand the changing landscape of the retail space and the competitive nature of the industry. By focusing on investing in our capabilities, we aim to better understand the evolving needs of our customers and deliver accordingly. Our continuous commitment to meeting customer demands has brought us to where we are today, and we are confident that this focus will enable us to remain the preferred choice and deliver sustainable returns to all stakeholders in the foreseeable future.

Thank you for your continued support.

Lalit Agarwal
Managing Director

Value Creation Model

HOW WE CREATE VALUE

At the heart of our retail fashion chain lies a value creation model that revolves around offering fashion with quality at competitive prices, complemented by an inclusive shopping experience for families. Our core values serve as the compass for our long-term strategies and decision-making processes.

Inputs

Financial Capital

- Total Equity: ₹ **84,900 Lakhs**
- Debt: ₹ **14,783 Lakhs**
- Total assets: ₹ **2,74,253 Lakhs**
- Capex: ₹ **27,790 Lakhs**
- Working Capital: ₹ **28,446 Lakhs**

Manufacturing Capital

- Total stores: **423**
- New stores added: **59**
- Total retail space: **37 Lakhs sq ft**
- Successful launch of 2 large stores of **>18,000 sq ft**, featuring a wide assortment of **3,500+** articles
- Online presence on LimeRoad, vmartretail.com and leading market places
- No. of warehouses: **2**

Intellectual Capital

- Private label brands: **8**
- Resilient and flexible inventory management
- Increased efficiency with the implementation of workflow-based systems
- Marketplaces brand - 3 i.e., V-Mart Retail Limited, Unlimited & LimeRoad

Social and Relationship Capital

- CSR spend: ₹ **61 Lakhs**
- Multiple CSR Programmes covering areas of education, sports, road safety, animal welfare, and children's upliftment

Human Capital

- Total permanent employees' strength: **9,333**
- New hires: **4,349**
- Integration of the LimeRoad youth team with our experienced team
- Total training hours conducted per employee: **40 hours**

Natural Capital

- Working towards carbon-neutral goals
- Utilisation of wastewater and recycled materials for packaging

Our Business Approach

Our Core Values

- Customer Centricity
- Prudence
- Agility
- Integrity
- Commitment



Strategic Pillars

- Diversify geographically building on our strengths and exploring new horizons
- Delight customer through excellent in-store experience
- Be an employer of choice and the most preferred employer in value retail
- Differentiate ourselves through merchandising excellence
- Build the omni-muscle to be a participant in the new economy
- Be the leading value retailer in governance and sustainability practices

Key Strengths

- Consistent Track Record of Growth
- Extensive Presence in Thriving States and Tier II/III/IV Cities
- Robust Sourcing and Vendor Management
- Streamlined Operating Efficiency
- Strong Brand Recognition and Consumer Insights
- Strong Governance Structure

Output

Finance Capital

- Revenue: ₹ **2,46,484 Lakhs**
- Market Capitalisation: ₹ **4,27,540 Lakhs**
- ROCE: **4.9%**
- EBITDA: ₹ **26,891 Lakhs**
- EBITDA margin: **10.9%**
- Dividend: ₹ **148 Lakhs***
- Inventory Turnover ratio (basis COGS): **2.08**

*(Declared last year, paid in this year).

Manufacturing Capital

- Increase in like-to-like (LTL) sales **23%**
- Customer complaints solved within 24-hours: 97%
- Increased omni-channel presence
- 3% online sale mix

Intellectual Capital

- Data analytics and algorithms-based ordering and replenishment systems
- Algorithm-based store location selection
- Redesigning of unbreakable hangers resulting in reduced recurring costs and improved durability
- Achieving the lowest-ever shrinkage of 0.4%

Social and Relationship Capital

- Total CSR beneficiaries: **>38,500**
- Education and nutritious food support to 396 underprivileged children
- Education support and scholarship to 12th-standard students
- Extended daily nutritious food and educational support to 17 orphaned girl children
- Conducting road safety sessions in 14 states

Human Capital

- Women satisfied with the work culture: **74%**
- Ongoing training and development programmes: **8,659**
- Revitalisation of the East zone driven by a robust leadership team, resulting in a notable 28% surge in productivity

Natural Capital

- Improved water-use efficiency by **20%**
- Implementing measures to minimise dependence on water supply resources and prevent water wastage caused by overflowing
- Recycling of ~1.2 tonnes of material annually and providing food and shelter

Outcome

- RoCE growth of **4.9%**
- **48%** growth in revenue from operations Y-o-Y, 38% increase in V-Mart

- Improved internal efficiency drives increased sales to existing customers
- Delivering customers at their convenience
- Enhanced understanding of customer grievances and pain points for improved service delivery.
- Optimised operational efficiency through the adoption of digital practices

- Enhanced operational excellence that leads to customer satisfaction and value generation
- Lowest shrinkage contributed to increased profitability and improved inventory accuracy

- Nurtured positive relationships and fostered a strong sense of trust and collaboration among all stakeholders
- Ensuring a strong focus on CSR activities that reflects across all levels of the organisation
- Over 3 Crores happy customers

- The initiatives have successfully cultivated a future-ready workforce equipped to navigate changes and embrace digitalisation
- Reinforced a Company culture centred around collaboration, diversity, transparency, and gratitude

- **2,88,000** cartons reused for packaging
- Minimised the environmental impact of our business in the areas of energy consumption, water management and waste management

Materiality Assessment

CULTIVATING FORWARD-THINKING

The materiality assessment equips us with a comprehensive understanding of critical economic, environmental, social, and governance topics that directly or indirectly impact our value creation model and relationships with stakeholders. By identifying and prioritising these issues, we gain insights into the key areas that are currently relevant and will continue to be important in the future.

This assessment serves as a guiding compass, enabling us to take necessary actions and steps to mitigate risks associated with these material issues. We conducted a fresh materiality assessment this year also to identify any significant changes in our material issues.

Need for Assessment

Sustainable Strategy

Materiality assessment provides valuable insights for strategic planning and decision-making processes. Businesses incorporate sustainability concerns into their fundamental strategy, operations, and investments by recognising the most important ESG problems.

This alignment contributes to the development of a more robust and future-proof company strategy that addresses evolving trends, customer preferences, and regulatory adjustments.

Anticipation of Stakeholders

Materiality assessment enables businesses to interact with their stakeholders, which include customers, employees, investors, communities, and regulators, in order to better understand their expectations and concerns.

Businesses can effectively satisfy stakeholder expectations, increase trust, and maintain a favourable reputation by recognising and resolving the most significant ESG and strategic concerns.

Other Advantages

- Helps businesses identify potential risks and opportunities associated with ESG issues.
- Ensures companies prioritise and transparently report significant issues, complying with regulations and frameworks.
- Enables businesses to communicate their ESG performance, risks, and opportunities effectively to stakeholders.

Assessment Approach

Desk Review
Involved comprehensive research and analysis of available documents, literature, reports, and relevant data pertaining to the specific area of interest.

Questionnaire Development
A thoughtfully crafted survey containing critical questions that guide our materiality assessment that distributed to our key stakeholders.

Stakeholder Consultation
We actively engage and brainstorm with our stakeholders, seeking their perspectives, insights, and feedback in response to the questionnaire.

Analysis of Results
Based on the responses, we conducted an analysis to identify the issues of utmost importance to both our internal and external stakeholders.

Prioritised Material Topics
Our senior management will carefully consider all inputs received from key stakeholders throughout the process and utilise them to map and prioritise materiality issues.

Materiality Matrix

Reference of Materiality Matrix for 2022-23



Materiality Issues

Economic and Governance

1. Sustainable economic performance
2. Business Ethics and Corporate Governance
3. Board Diversity
4. Information Security (Cyber and Data Security)
5. Business Continuity
6. Legal and Regulatory Compliance
7. Innovation and Digitisation

Social

8. Community Development and CSR
9. Sustainable Supply Chain
10. Employee Engagement
11. People Development and Succession Planning
12. Workforce Diversity
13. Health and Safety of People
14. Customer Privacy
15. Customer Engagement & Satisfaction
16. Product Quality

Environmental

17. Climate Change, Energy Efficiency and Reduction in Emission
18. Effective and Efficient Use of Natural Resources
19. Sustainable Packaging & Waste Management

Stakeholder Engagement

ENGAGING FOR SHARED SUCCESS

Stakeholders are at the core of our organisation. We recognise their essential role in our growth and success. As a responsible Company, we value their input and actively engage with them through various channels. By fostering open communication, we aim to address their needs and aspirations. We believe that working together with our stakeholders is key to our ongoing progress and shared achievements.

Stakeholder Engagement

We prioritise prudence at our core, ensuring value delivery to stakeholders without compromising on quality. Resource utilisation is efficient and effective, maximising returns while being cost-conscious. Sustainability is a responsibility we uphold, considering long term impact on the Company, communities, and environment. Inclusivity and support define our work environment, enabling equal opportunities for growth.

Employee well-being is paramount as their dedication drives our success. Ethical practices and responsible conduct are non-negotiable, and integral to our commitment to integrity. Our stakeholder engagement is guided by prudence, sustainability, employee well-being, and compliance.

Stakeholder Engagement Policy



Customers/Consumers

Relevant Concerns

- Value for money
- Trendy/in vogue fashion for entire family
- Quality products
- User-friendly shopping
- Abundant variety
- Risk-free experience

How We Address

- Affordable fashion
- Latest fashion, matched to market trends
- Best-in-class products
- Convenient store location
- Safety protocols (SOPs)
- Pleasant and comfortable environment
- Omni-channel expansion

Why We Address

- To track their needs and aspirations on continuing basis
- To improve their experience
- To cater to their aspirations
- To provide sustained value and trust

How We Approach

- Personalised interaction
- Advertising and marketing campaigns
- Customers focused occasions
- Social media communities
- Web portal – www.vmartretail.com & www.limeroad.com
- Periodic customer surveys

Suppliers

Relevant Concerns

- Regular and timely payments
- Clear and fair contracts with favourable terms and conditions
- Robust cash flow and financial stability
- Sustainable long term relationship
- Value-led growth opportunities
- Capability enhancement

How We Address

- Timely payments and Unnati Scheme
- Fair and transparent contract clauses and business policies
- Continuous quality audits and training
- Advocating MSMEs, small businesses
- Local sourcing, backed by streamlined supply chain management
- Partnership on innovative and cost-efficient designs/collections

Why We Address

- To deliver on our promise of affordable yet fashionable attire for customers
- Timely procurement of raw materials/merchandise
- Enhance exclusive fashion for family proposition
- Promote benchmark practices in the supply chain
- Facilitate long-term vendor trust and confidence
- Ensuring compliance with laws against child and contract labour and environmental regulations

How We Approach

- Frequent supplier interactions
- Supplier code of conduct and sustainability audits
- Online vendor portal initiatives for welfare/ development of suppliers/vendors
- Annual supplier conference
- Quick vendor grievance redressal

Stakeholder Engagement

Employees

Relevant Concerns

- Fair pay and incentives
- Empowerment and autonomy in decision-making
- Safe and flexible work environment
- Learning and development prospects
- Career advancement
- Fostering a sense of pride in working for an ethical employer
- Rewards and recognition
- Reliable business performance

How We Address

- Transparent pay structures
- Performance-driven rewards and bonuses
- Employee Stock Option Plans (ESOPs)
- Employee-friendly HR policies
- SOPs and guidelines for health and safety
- Work-from-home, flexible attendance
- Ethical and transparent corporate governance framework
- Decentralised organisation
- Consistent record of performance
- Proven track record of industry-leading and steady EBITDA and ROCE

Why We Address

- Become the preferred employer in the value retailing sector
- Improve the value proposition for employees
- Foster trust among employees towards the organisation
- Cultivate a collaborative and empowered culture for inclusive growth

How We Approach

- Continual skill and capability development initiatives
- Virtual town halls and direct interaction with top leadership team
- Regular communication through mailers, WhatsApp, social media, and other channels
- Robust feedback mechanisms and surveys
- Utilisation of digital platforms, HRMS, and secure messaging apps
- Family events and celebrations

Shareholders

Relevant Concerns

- Well-defined long-term strategic vision and direction, value creation drivers
- Strong return on investment and positive cash flows
- Consistent and transparent communication regarding performance and market developments
- Ethical systems and robust risk mitigation measures

How We Address

- Demonstrated history of industry-leading and stable EBITDA and ROCE
- Sound balance sheet with decent liquidity
- Consistent and sustainable revenue growth
- Effective management of store expansion, operational enhancements, and cost efficiencies
- Continual increase in same-store sales growth
- Commitment to ethical and transparent business practices

Why We Address

- Frequent communication and transparent updates on business
- Ensuring fair trading of V-Mart shares at reasonable value, with clear information on opportunities and risks
- Alignment with globally benchmarked practices
- Engaging closely to nurture sustained trust

How We Approach

- Participation in investor and 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
- General Meetings

Communities

Relevant Concerns

- Improved standard of living and education
- Livelihood and skill development
- Job opportunities
- Affordable but fashionable quality products
- Safe and healthy environment

How We Address

- Local recruitment from underprivileged communities
- Offering job-specific skill training programmes
- Initiating plantation drive across several states
- Distributing essential commodities to families in need
- Developing and supporting sports infrastructure and community
- Offering scholarships to deserving underprivileged students for higher education
- Supporting children to pursue education and providing nutritious food
- Animal welfare, particularly street dogs
- Opening Skill-Development Centres under DDU-GKY and similar programmes

Why We Address

- Community development for sustainable business growth
- Brand visibility as an responsible corporate house
- Promoting a culture of inclusive development
- Growing organisational morale
- Ensuring holistic stakeholder trust in Company's credentials

How We Approach

- Community-focused CSR and skill development initiatives
- Engaging employees in local CSR outreach initiatives
- Collaborating with NGOs for sustainable CSR programs in areas of Health, Education, Livelihood, and Infrastructure
- Providing disaster relief and support to affected communities



Strategic Objectives

CORNERSTONE OF A PROMISING OMNI PRESENCE

We possess adaptable and forward-thinking strategies that establish pathways for our growth and generate value for all our stakeholders, particularly our customers. Our strategic initiatives are all-encompassing and tailored to meet the needs of every key stakeholder of our Company.



Diversify geographically building on our strengths and exploring new horizons

Differentiate ourselves through merchandising excellence

Delight customers through excellent in-store experience

Our Strategy

Build the omni-muscle

Be an employer of choice, and the most preferred employer in value retail

Be the leading value retailer in governance and sustainability practices

Diversify geographically building on our strengths and exploring new horizons

Strategic Enablers

- Development of Tier II, III, and IV cities in the country
- Rise of disposable income of our target market
- Increase in demand for our products
- Brand connection and recognition
- Capital Expenditure capacity
- Sourcing and distribution network convenience

KPIs

No. of Stores added during the Year

Region-wise Expansion of Stores

Progress

This year marked a significant milestone for us with the highest number of store additions ever in a single year. We expanded into Tier III and Tier IV cities, opening 27 stores in Tier III and 14 stores in Tier IV cities. The majority of new stores were in North India (24), followed by Western (6), Eastern (13), Southern (12), and Central (4) regions. Our expansion aligns with industry trends, and we continuously evaluate store progress to make informed decisions. We have ambitious goals for strategic growth, including signing iconic properties in the eastern region.

59
New Additional Stores in FY23

14%
Increase in Retail Space

Differentiate ourselves through merchandising excellence

Strategic Enablers

- Offering a diverse range of updated and fashionable products across various categories, catering to a wide range of consumer preferences.
- Possessing a comprehensive understanding of consumer preferences and trends, enabling us to align our product offerings accordingly.
- Establishing strong partnerships with vendors and maintaining a robust distribution network, ensuring efficient supply chain management.
- Demonstrating excellence in inventory management and operational efficiency across our stores.

KPIs

Same Store Sales Growth

Same Store Volume Growth

Transaction Size

Progress

Our commitment to differentiation and unique customer experiences is evident through enhanced inventory management and offering contemporary fashion products at great value. Strategic assortment and pricing decisions are made based on consumer preferences and trends. We have achieved success through our private labels, promotional offers, and focused efforts on Entry Price Points (EPP). Our emphasis on the women's ethnic segment, particularly kurtas, has been fruitful. These achievements demonstrate our dedication to merchandising excellence and future plans for staying ahead of competitors.

23%
Same Store Sales Growth

25%
Same Store Volume Growth

₹ 1,017
Transaction Size

4%
Transaction Size Growth

Strategic Objectives

Delight customers through excellent in-store experience

Strategic Enablers

- Pleasant Store Environment and Strategic Locations
- Engaging Customer Service and Interactions
- Robust Digital Infrastructure and Innovative Features
- Seamless and Hassle-free Shopping Experience
- Wide Product Availability and Diverse Assortment

KPIs

No. of Visitors	Feedback from Customers
Rate of Conversion from Visitors to Customers	Ratings given by Customers

Progress

We are deeply committed to customer centricity and continuous improvement of the in-store experience. Our strategic store locations and customer-friendly layout optimise accessibility and navigation. With a dedicated team of well-trained CSAs, we prioritise customer engagement and exceptional service. We have implemented digital initiatives for enhanced compliance and data collection. Achieving a 97% resolution rate for customer complaints within 24 hours and offering a seamless exchange policy contribute to a hassle-free experience. Additionally, we value customer feedback and have achieved a record high feedback count for detailed analysis of preferences.

426 Lakhs
Footfall

48%
Growth in Footfall Y-o-Y

59%
Conversion Rate

Build the omni-muscle

Strategic Enablers

- Interactive Platform Interface
- Unified and Engaging Brand Experience
- Seamless Omni-channel Experience
- Logistics and Inventory Management
- Best-in-class Customer Service

KPIs

Revenue Mix of both Channels	No. of Users/Active Users
Customer Ratings	No. of Online Orders

Progress

We have embraced the omni-channel trend and established our online presence through vmartretail.com and e-commerce and marketplace aggregators. The positive response has driven us to build a strong online platform, complementing our offline stores. The integration with LimeRoad enhances our omni-channel presence, delivering digital convenience. We have witnessed increased online orders and partnered with ONDC for standardised apparel taxonomy. Our new warehouse addresses fast fashion challenges. Our goal is to offer a consistent and parallel buying experience across all channels, enhancing customer flexibility.

83%
Growth in Online Orders

1.5 Crores
Online Customer Base

Be an employer of choice, and the most preferred employer in value retail

Strategic Enablers

- Organisation Culture and Design
- Opportunities for Training and Development
- Recognitions and Rewards
- Robust Performance Appraisal system
- Defined Roles and Responsibilities
- Health and Welfare Initiatives
- Smooth Integration with LimeRoad

KPIs

Employee Retention Rate	Employee Feedback
No. of Training Programmes	Awards and Recognition

Progress

At V-Mart, we foster collaboration, encourage fresh perspectives, and prioritise employee development. Our training programs and HR systems equip our workforce with modern technology and skills. Diversity, equity, and inclusion are core values, promote a respectful environment. We prioritise employee well-being through V-Care and offer a leadership development programme. Recognising contributions, we have rewards and retention mechanisms. Our *Humrahi Sessions* ensure alignment with organisational goals. By nurturing a culture of collaboration, learning, and inclusivity, we attract top talent, empower individuals, and create a workplace where everyone can thrive. We are proud to be recognised as a Great Place to Work.

56%
Employee Retention Ratio

8,660
Training Sessions held in FY23

Be the leading value retailer in governance and sustainability practices

Strategic Enablers

- Leading from the Top
- Building a Strong Foundation
- Engaging with Stakeholders
- Safeguarding against Risks
- Promoting Ethics and Compliance
- Driving Innovation Forward

KPIs

Board Effectiveness	No. of Sustainable Initiatives
No. of Ethics and Compliance Issues	Transparent Reporting

Progress

Our governance framework is supported by a diverse board of directors with expertise in finance, consulting, textiles, and retail. Transparency is integral to our culture, and we prioritise ethics and compliance. Our robust ethics framework, overseen by a central committee, addresses conflicts, promotes our values, and ensures a safe work environment. We adhere to SEBI guidelines, reporting our ESG performance under the BRSR framework. Our ESG profile is transparently disclosed on our website. Our concerted focus on corporate governance resulted in us winning the Golden Peacock Award. With a clean record and zero ethical conflicts, we remain committed to upholding high standards and maintaining stakeholder trust.

Won the prestigious
Golden Peacock Award
for Excellence in Corporate Governance

Strategic Objectives

THE V-NEXT STRATEGY

Our company has embarked on a transformative journey with the objective of unlocking greater efficiencies and positioning ourselves for rapid growth, under the Project VNEXT. The strategic initiative includes several key focus areas to strengthen our market position and enhance operational capabilities.



We have adopted a Consumer Insights-led category strategy, gaining a deep understanding of consumer preferences and behaviors across all focus regions. By refreshing our category roles based on consumer relevance and future industry trends, we aim to align our offerings with evolving market demands. Additionally, we have established standard operating procedures to ensure that our category strategies remain relevant and adaptive over time.

Currently, our Preseason planning efforts are optimizing the entire design-to-shelf calendar. This includes detailed assessments and development of store profiles, as well as implementing a sophisticated Demand Forecasting Model to ensure efficient inventory management. Utilizing deep analytics, we are improving our Assortment & Merchandise Planning process, incorporating store profiles and product attributes to better meet customer needs.

Strategic sourcing of Apparel & Input material nomination remains a crucial aspect of our transformation. By defining an overall sourcing strategy, including country and vendor mix, we can maximize the efficiency of our sourcing operations. Data-driven approaches guide our garment and input material selection, while digitalization streamlines data templates and cost analysis.

In-season planning and execution are enhanced with a well-defined allocation strategy, enabling us to handle a greater variety of styles and store complexities. We also implement replenishment and replacement strategies, along with robust product life cycle management policies. This improves the execution of our space plan and Visual Merchandising guidelines, enhancing the overall customer experience.

The complete transformation process involves redesigning and augmenting our processes and capabilities. We are standardizing and simplifying our cross-functional processes, leveraging digital tools to enhance efficiency.

Embracing global best practices reinforces our ways of working and enables us to stay at the forefront of the industry. Our company's strategic initiative is geared towards optimizing consumer insights, streamlining operations, and embracing digitalization and best practices. These efforts empower us to respond effectively to market dynamics, improve customer satisfaction, and achieve long-term success in the industry.



8 Strong Private Labels contributing 53% in Apparel Sales

FLICK · Jashn · twist · CHARCOAL · deesi mix · Be PRINCESS · Kidistan

Governance

SYSTEMATIC GOVERNANCE FOR SUSTAINABLE GROWTH

We adhere consistently to our Code of Conduct and guiding principles, facilitating us to make secure strategic decisions.

Our imminent board of experts acts as a solid structure for our sustainable development, positioning us as a future-oriented Company. The Board of Directors plays a significant role in determining the organisation's strategic direction, establishing effective governance, managing risks, and promising long-term success. Their valuable perspectives contribute to strategy formulation, goal enhancement, and engagement with stakeholders. With their guidance, the organisation can navigate challenges, capitalise on opportunities, and drive sustainable growth.

Board Engagement

Other than the quarterly meetings, the Board meets multiple times throughout the course of the year to discuss important topics and progress against strategies.

Transparency and Enhanced Disclosures

A customer-centric strategy, steadfast devotion to our goals, agility in learning and adjusting swiftly, prudent delivery to all stakeholders, and unbending integrity throughout all of our processes define our organisation. These success pillars have been essential in our journey so far, and we remain committed to sustaining these core values. These essential principles serve as the foundation of our corporate governance structure.

Scan the QR Code to read our policies

Board Meetings

6	94%	6	66.66%
No. of Meetings	Attendance	Members	Independent

Audit Committee

4	100%	3	100%
No. of Meetings	Attendance	Members	Independent

Nomination & Remuneration Committee

5	100%	3	100%
No. of Meetings	Attendance	Members	Independent

Risk Management Committee

4	100%	3	100%
No. of Meetings	Attendance	Members	Independent

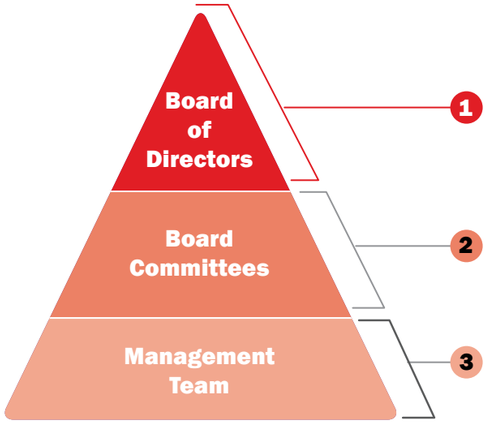
Stakeholders Relationship Committee

1	100%	3	33.33%
No. of Meetings	Attendance	Members	Independent

Corporate Social Responsibility Committee

4	81.25%	4	50%
No. of Meetings	Attendance	Members	Independent

Governance Structure

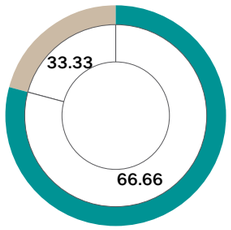


1. The Board of Directors is responsible for providing strategic direction, overseeing management, and ensuring the Company's long-term success while representing the interests of shareholders.

2. Board Committees are subgroups of the Board with specific responsibilities such as audit, compensation, and governance, playing a crucial role in providing in-depth analysis and recommendations to the Board.

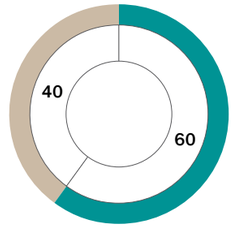
3. The Management Team is responsible for day-to-day operations, executing the Board's strategic decisions, and ensuring the efficient and effective functioning of the company, reporting to the Board and upholding the highest standards of corporate governance.

Board Composition (%)



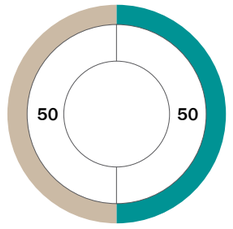
- Non-Executive Independent Directors
- Executive Directors

Age Profile (%)



- Above 50 years (4 Directors)
- Below 50 years (2 Directors)

Experience (%)



- Between 20-30 years (3 Directors)
- More than 30 years (3 Directors)

Independent Director as Chairperson

Gender-neutral POSH Policy

Whistleblower Policy extending to all Stakeholders

MANAGEMENT TEAM

1 **Vineet Jain** 2 **Jaideep Jaiman** 3 **Snehal Shah** 4 **Ramesh Agarwal**

5 **Syed Ali Athar** 6 **Jayesh Kothari** 7 **Anand Agarwal** 8 **Dinesh Srivastava** 9 **Nitin Goel**



10 **Suchishree Mukherjee** 11 **Madan Gopal Agarwal**

12 **Lalit Agarwal** 13 **Anjali Goel**

BOARD OF DIRECTORS



Aakash Moondhra

Chairperson and Independent Director

He is a seasoned financial executive with extensive global experience. Currently serving as the Global CFO of Naspers/Prosus Fintech and PayU for the past 8 years, he previously held the CFO position at Snapdeal and worked with prominent organizations like Nokia India Private Limited, Baring Private Equity Partners (India), Bharti Airtel Limited, AT&T Corporation, and Andersen Consulting. He is a 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 SRCC, Delhi, an MBA from Southern Methodist University, Texas, USA with Beta Gamma Sigma Honors, and has completed several renowned leadership programs, including the International Directors Programme, Leading from the Chair program, and International Business Sustainability Programme at INSEAD.



Lalit Agarwal

Managing Director (MD)

He is a distinguished Indian retail entrepreneur with over 25 years of experience in the industry and is the Founder and Managing Director of V-Mart Retail Ltd. Holding a Commerce degree from Bombay University and a PG Diploma in Financial Management from NMIMS, Mumbai, He is also pursuing the Owner/ President Management Program at Harvard Business School. He is also actively involved in various leadership roles, Including acting as the Chairman of the Retailers Association of India (RAI) for the Northern Region and Confederation of Indian Industry (CII).

He is also a Co-Founder & Trustee of Plaksha University and has been recognized for his outstanding leadership, winning the 'Retail Leader of the Year' Award in 2018 and receiving nominations from 'NITI Aayog' for the 'Champions of Change initiative.' His philanthropic efforts focus on transforming the socio-economic landscape and promoting skill development among underprivileged youth.



Madan Gopal Agarwal

Whole-Time Director

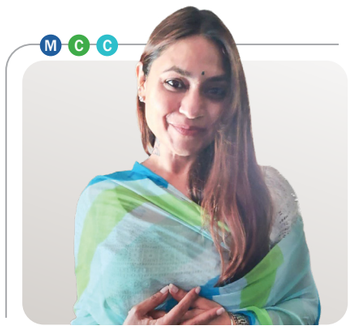
With over four decades of entrepreneurial experience in the fashion retail industry, his journey began in the 1970s. His vision and determination paved the way for the establishment of the highly successful apparel and footwear retail store, 'Shreeman Shreemati,' in Cuttack. As a mentor and guiding force for V-Mart, he has been instrumental in fostering a customer-centric approach and instilling cost-consciousness as integral elements of the company's DNA. His leadership and expertise have played a crucial role in shaping V-Mart's growth and success in the ever-evolving retail landscape. Academically, he holds a Bachelor's Degree in Arts from the esteemed City College, University of Calcutta.



Murli Ramachandran

Independent Director

He is a seasoned Management Consultant and CXO Coach, renowned for his expertise in transformation, strategy, performance improvement, and leadership development. Throughout his career, he held leadership positions in prestigious organizations such as TVS Capital Funds, Sanmar Speciality Chemicals, RPG Life Sciences, RPG Enterprises, KPMG Consulting, and Accenture. His academic achievements include a Bachelor's degree in Mechanical Engineering, a Master's degree in Management Studies from BITS Pilani, and an MS in Industrial Engineering from Columbia University.



Sonal Mattoo

Independent Director

She is an accomplished lawyer with over 27 years of post-qualification work experience, specialising in compliance related to workplace harassment and diversity issues. As an independent Ombudsperson, she provides support in handling employee complaints and serves as an independent member of the IC for the Prevention of Sexual Harassment. Sonal is the Founder Director of "Helping Hands," focusing on women in the workplace, children's issues, CSR activities, policy preparation, and conducting workshops.

She actively contributes as a Non-Executive Independent Director on the boards of Polymed, Azbil Telstar India, Ashiana Housing, while also supporting various organizations as part of their ethics committees and compliance committees. She holds a BA., LL.B (Hons) degree from the National Law School of India University, Bangalore and her schooling from the Lawrence School, Sanawar.



Govind Shridhar Shrikhande

Independent Director

He is an esteemed Independent Director on multiple boards, including Brand Concepts Ltd, IR&HPL, Donear Industries, and SDL. He provides advisory services to prominent private equity firms, Multiples, and Sauce. With extensive experience, he serves as a mentor to the CEO of XYXX Apparels and contributes to the governing boards of leading educational institutions, SUAS in Indore and SSPU in Pune. Mr. Shrikhande holds an MBA in Marketing from Symbiosis University and a B.Tech in Textile Technology from VJTI University.

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.

Committee Composition

- Audit Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee

Ⓒ Chairperson Ⓜ Member

OUR LEADERSHIP TEAM



Vineet Jain

COO

He is a seasoned professional with more than 20 years of experience in managing and growing hypermarket and value fashion formats. At V-Mart, he leads the development and execution of operational and customer-centric strategies, while enhancing employee and customer value proposition. With impressive qualifications, including CA, CS, and ICWA, Mr. Jain is an alumnus of IIM Ahmedabad and has completed an Advanced Management Program from INSEAD, France.



Anand Agarwal

CFO

He is the CFO of V-Mart and a key member of the leadership team, driving growth, strategic execution, and corporate governance initiatives. With a CA and CS qualifications, he has held leadership roles in esteemed organisations like HT Media and Reebok, and also contributed his expertise at Ernst & Young. He also actively serves as a member of the CII National Committee for CFOs.



Suchishree Mukherjee

CEO (LimeRoad)

She recently joined the leadership team as the CEO of LimeRoad and the Omni-channel business and brings forth a wealth of experience and expertise. Her impressive career started at Lehman Brothers Inc. in 1998 as a Senior Associate in Corporate Finance. She has since held significant positions at Virgin Media, eBay Inc, Skype, and GumTree, making significant contributions to business development, change management, and executive leadership.



Jaideep Jaiman

VP (DT)

He is responsible for developing and executing V-Mart's digital strategy and transformation programme, focusing on advanced analytics and AI/ML interventions. He is a graduate from the first batch of IIM Rohtak and has extensive experience as a Management Consultant, specialising in areas of retail excellence, analytics, strategy, and financial modelling.



Ramesh Agarwal

VP (SCM)

He has been associated with V-Mart since 2011, and is responsible for supply chain planning, warehouse and logistics operations, and FMCG planning and buying. With over three decades of experience in entrepreneurship and the retail industry, he has demonstrated his proficiency in multiple functions, including manufacturing, planning and buying, retail operations, and supply chain management.



Dinesh Srivastava

AVP (IT)

He has been associated with the Company since 2011, and brings over 15 years of experience and expertise in cybersecurity, IT planning, and implementation. He handles all the information technology functions for the Company and is responsible for driving its IT strategy.



Jayesh Kothari

President (Merchandising)

He is a highly impactful and respected business leader in the Merchandising Domain, and has recently joined V-Mart as the leader of merchandising buying, sourcing, designing, and planning. With over 30 years of work experience, he has contributed his expertise to companies like Reliance Retail and Vishal Megamart.



Snehal Shah

Sr. VP (Projects & BD)

He has been associated with V-Mart since its inception, and has played an instrumental role in building the Company's retail presence and establishing key processes in New Store Operations, business development, site selection, and marketing. He holds a Commerce degree from University of Mumbai and has earned a Certificate in Management from Crestcom, USA.



Anjali Goel

VP (HR)

She is responsible for designing and implementing HR strategies, which are aligned with the business strategy and future work scenarios. With over 20 years of experience, she specialises in effective leadership hiring, OD & Change Management, Talent Management, Workforce Planning, Employee Engagement, Talent Reviews, and Assessment Centres. She holds a Post Graduate Degree in Human Resources from the New Delhi Institute of Management.



Nitin Goel

AVP (Planning)

He joined us in 2013 and is currently serving as AVP-Planning at Vmart, and holds pivotal responsibilities encompassing Allocation, Merchandising Planning, and Space Planning. With over 15 years of diverse experience in IT, Consulting, and Retail, Nitin leverages his expertise to drive process automation, fostering scalability, and facilitating change management for sustainable implementation. His academic background comprises a graduation in Engineering and a Postgraduation in Supply Chain from NITIE Mumbai.



Syed Ali Athar

VP (CSR & Skill Development Initiative)

He possesses over 22 years of work experience, with 17 years in acquiring and implementing Government/ Multilateral projects in Training, Capacity Building, and Skills Development. He is leading V-Mart's Skills Development Initiative since joining in January 2018. He held key strategic positions at NIS Sparta, Bharti Comtel, Centum Learning, and NIIT. He has experience in designing and executing large-scale employability and skill development projects. He holds an Economics Graduate degree and a PG Diploma in Management.

CUSTOMER-CENTRICITY AT OUR CORE

One of the primary reasons that has propelled us to emerge as a household name in India is our customer-centric approach. Customer-centricity has been the focal point of our business model and will continue to be the biggest driver as we march ahead in our journey.



How We Enhance Customer Satisfaction

Sharp Pricing

We value reconnecting with low spenders through a sharp pricing strategy, offering competitive and affordable prices to cater to price-sensitive customers and maintain accessibility for a broader customer base.

Simplified Price Laddering

We simplified pricing by reducing price points, making it easier for customers to decide and enhancing their shopping experience.

See-through Façade

We prioritise enhancing store aesthetics and ambiance with a see-through facade to create a visually appealing and welcoming environment for a positive shopping experience.

Timely Resolution of Customer Complaints

Customer satisfaction is our top priority, we resolved 97% of customer complaints within 24 hours, reflecting our commitment to quick and effective resolutions.

Customer Experience Through Omni-channel

Offering a seamless and consistent experience to customers across various channels (online and offline) to enhance convenience and satisfaction.

Regular Communication of Products and Schemes

Keeping customers informed about the latest products and promotional offers to increase engagement and sales.

In-store Service through CSA who are being trained to become Fashion Stylists

Enhancing the shopping experience by providing trained customer service associates (CSAs) who also act as fashion stylists, offering personalised advice and assistance to customers.

Fast Check-out

Streamlining the payment process to minimise waiting time and improve overall shopping efficiency for customers.

Capture Customer Feedback

We proactively gathered 18.8 lakhs customer feedback entries, prioritizing their importance in understanding needs, resolving issues, and enhancing the overall customer experience.

Relevant and Sharp FMCG Offering

We significantly improved our FMCG assortment with relevant products, better deals, and competitive prices, meeting evolving customer needs effectively.

Seamless Exchange Policy

We prioritize customer convenience with a seamless exchange policy across all stores, enabling hassle-free product exchanges and building trust with our customers.

Case stories of our customer-first culture

Reuniting a mother with her child

Praveen demonstrated an act of mindfulness by preventing a distressed child from leaving the store after losing her parents. He offered the child a comforting chocolate and promptly announced her name from the PRO counter. The child's mother, filled with joy, quickly arrived and was relieved to be reunited with her child.

Praveen, Associate
Boring Road, Patna, Bihar Zone

Upholding our values of honesty

Shabaaz, an Associate working at the Snap-up Counter, discovered a sum of 23,000 rupees on the floor. Demonstrating his integrity, he promptly deposited the money in the Lost and Found and immediately informed the Store Manager. The cash was then safely returned to the concerned guest who had been worried at the cash counter. Shabaaz's actions serve as a shining example of integrity.

Shahbaaz, Associate
Esplanade, East Zone

Guiding those who protect us

Deepika encountered an Army man with a fractured hand while shopping at the store. Displaying empathy, she greeted him and offered her assistance. Deepika took the time to inquire about his injury and how he was feeling. This act of compassion touched the Army man, who expressed his gratitude for her service. Although he originally came for FMCG shopping, he ended up making a purchase at the TSO bill, likely influenced by Deepika's kind and supportive gesture.

Deepika, Associate
Kankar Bagh, Bihar Zone

Helping one and all without discrimination

During a shopping visit, Arvind noticed a physically challenged customer who was using a crutch for walking. Showing thoughtfulness, Arvind offered the customer a stool for added comfort. Arvind went above and beyond to provide a personalised shopping experience by assisting the customer in trying on clothes and even offering water. The customer was delighted by Arvind's exceptional service and expressed his gratitude by blessing him with a bright future. As a token of appreciation, the customer gifted Arvind his favourite pen.

Arvind, Associate
Ranchi 1, East Zone

Capital Harmonisation

LEVERAGING OUR CAPITALS EFFECTIVELY

Our success in generating long-term value for our stakeholders stems from our deep understanding of the interdependencies among different capitals. Throughout the year, we strategically leveraged these interconnections, making informed trade-offs that enabled us to optimise the synergies between capitals and maximise overall value creation.



Intellectual Capital
Page 60

Manufactured Capital
Page 56

Financial Capital
Page 52

Human Capital
Page 72

Social and Relationship Capital
Page 78

Natural Capital
Page 56

FINANCIAL CAPITAL



Financial Capital is defined by all the financial resources a company injects into the business like equity capital, debt, investments, and others. Our financial capital encompasses equity shareholders fund, external borrowings, and profits generated by our business. We utilise competitive lease-rental mechanisms to minimise our rental costs.

Our current financial capital is well-suited to meet our future needs. As we are currently focused on strengthening our core business and growth strategy, the demand for large investments in the company remains stable. Furthermore, our investments in Unlimited and LimeRoad are anticipated to yield substantial benefits over the foreseeable future. Unlimited stores have already started showing positive results with 80% of Unlimited stores being EBITDA positive.

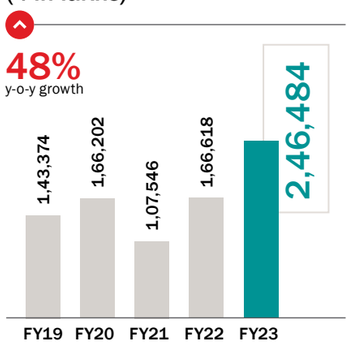
Relationship with Other Capitals

- Manufactured Capital
- Intellectual Capital
- Natural Capital

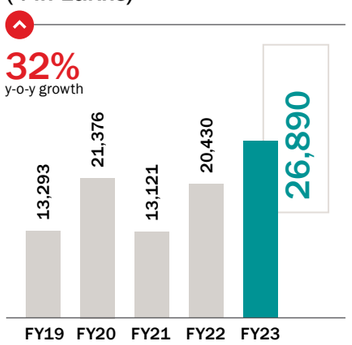
Financial Capital

Key Performance Indicators

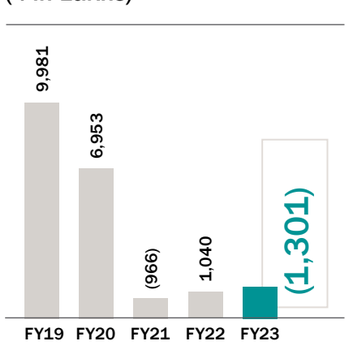
Revenue
(₹ in lakhs)



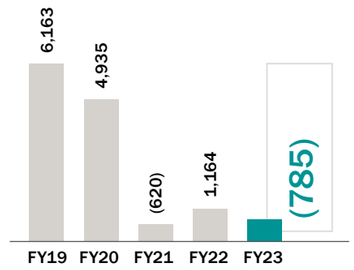
EBITDA
(₹ in Lakhs)



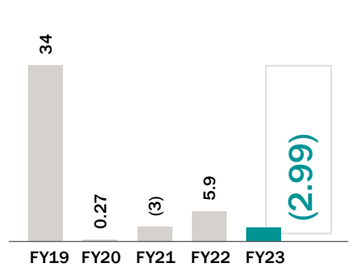
Profit Before Tax
(₹ in Lakhs)



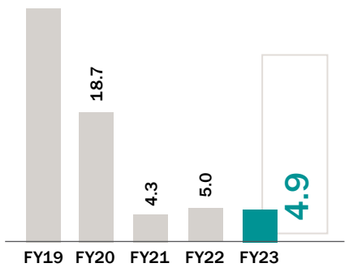
Profit After Tax
(₹ in Lakhs)



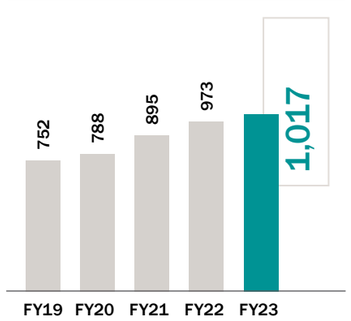
Earnings Per Share
(₹)



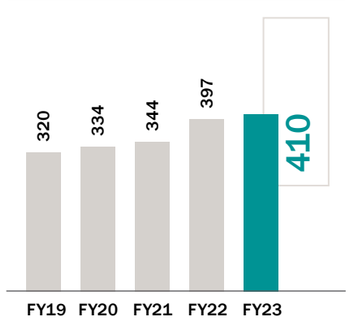
Return on Capital Employed
(%)



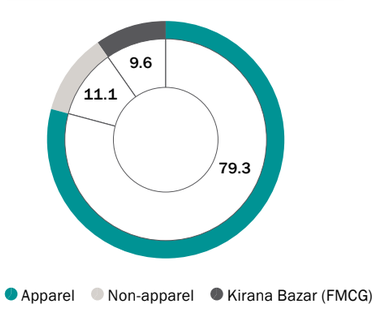
Transaction Size
(₹)



Average Selling Price (Apparel) (₹)



Revenue Breakup
(%)



Performance

As a prominent player in the retail industry, we showcased impressive growth in our revenue from operations, reaching ₹ 2,46,484 Lakhs, which represents a substantial increase of 48%. This was also our highest-ever sales in our history.

To further sustain this trajectory, we made strategic integration, including the addition of LimeRoad, and even opened several new stores. Consequently, our debt level has risen marginally compared to our previous debt-free status.

Furthermore, our Unlimited segment has experienced a remarkable turnaround, showcasing positive growth and performance. We have effectively implemented various strategies to enhance our product assortment, optimise store layouts, and improve supply chain management. In addition, embracing the opportunities presented by digital transformation and expanding our online presence has significantly contributed to the revival of the Unlimited business.

Generating Consistent Value for Shareholders

Our growth since our inception is a testament to our sound strategies and managerial efficiencies. From a single store, we have been able to transform ourselves into a national retail powerhouse, and have delivered consistent returns to our shareholders. Over the last 15-20 years, we have grown at a CAGR of ~20%, and considering the opportunities at hand, we expect to do so over the foreseeable future as well. Over the last 10 years, our market capitalisation has increased from ₹ 300 Crores in FY 2012-13 to ~₹ 4,265 Crores as of 31st March, 2023.

> On a go-forward basis, we are confident of establishing the newly-acquired LimeRoad business as a very strong growth driver for the organisation and remain committed to invest in the journey to reach a sustainable and profitable destination. As a perspective, Unlimited has also taken 1.5 years to come to full-year profitability and we have similar plans for turning around LimeRoad,"
>
> **Mr. Anand Agarwal**
> Chief Financial Officer



Market Capitalisation
(₹ in Cr)



Note: as at year end

Capital Expenditure

We made an investment of 27,790 Lakhs, out of which 10,924 Lakhs for the establishment of our warehouse and 7,031 Lakhs towards LimeRoad. Besides this, we invested in the opening of 59 new stores, refurbishment of existing stores, and IT-related expenses, among others.



MANUFACTURED CAPITAL

Manufactured Capital in retail businesses consists primarily of the number of outlets, outlet physical infrastructure, and digital infrastructure.

We have progressively used our financial resources to extend our geographical footprint, refurbishment of existing stores, the opening of a new warehouse, and undertake numerous digital activities. All of these activities help us deliver quality products with a delightful in-store experience and add value to our customers' shopping experiences.



Relationship with Other Capitals

- Financial Capital
- Social and Relationship Capital
- Intellectual Capital
- Natural Capital

Manufactured Capital



Widespread Presence

Our aim is to ensure that our offerings reach every corner of the country, transcending the limitations of specific pockets or regions. To achieve this, we adopt a strategic approach and carefully identify high-potential cities to make our mark. During the year, we continued to expand our presence across the country and in the southern regions through Unlimited. As of 31st March, we operate with a total of 423 stores (including Unlimited) compared to 380 in the previous year. As we move ahead, we will continue to increase our total addressable market through strategic geographical expansions.

423
Total Stores

82
Unlimited Stores

341
V-Mart Stores

Investing Towards Capability Enhancement

During the year, we made significant investments of approximately ₹ 27,000 Lakhs in both capital expenditure and operations expenditure. The majority of these funds were allocated to the development of a new warehouse, which was recently inaugurated. Additionally, we invested in refurbishing 20 existing stores and implementing various automation techniques within them. The remaining funds were utilised to open 59 new stores across the country.

59
Highest store additions during a financial year

New Store Additions

Out of the 59 new stores, 47 were opened in the northern region and 12 in the southern region under our Unlimited brand. Additionally, we closed 16 non-performing stores, consisting of 13 V-Mart stores and 3 Unlimited stores.



Investing in Digitalisation

We recognise the power of digitalisation and its ability to enhance efficiencies in our manufactured capital. By investing in digital technologies, we aim to streamline processes, optimise resources, and elevate our overall operational performance.

Page 63



Key Operational Metrics

Retail Space

37 Lakhs sq ft
Total
14% Y-o-Y growth

Footfall

426 Lakhs
Footfall
48% Y-o-Y growth

Sales per square feet (per month)

₹ 623
Total
11% Y-o-Y growth

₹ 655
V-Mart
13% Y-o-Y growth

₹ 520
Unlimited
13% Y-o-Y growth

Inventory (Days of sales)

114
Total

107
V-Mart

151
Unlimited

INTELLECTUAL CAPITAL



Intellectual Capital encompasses intangible resources like distinctive skill sets, techniques, expertise, and creative assets. Each company possesses its own distinct Intellectual Capital. At V-Mart, our aim is to foster innovation and introduce distinctive technologies or processes that will enrich both the customer experience and the overall business.

We have undertaken numerous initiatives in this realm to enhance the value of our private labels and collaborate effectively with our vendors. Our primary focus lies in comprehending customer preferences more effectively and optimising our operations accordingly. Additionally, we have engaged consultants to facilitate these transformative changes.

Relationship with Other Capitals

- Financial Capital
- Manufactured Capital
- Natural Capital
- Social and Relationship Capital

Intellectual Capital

> Technology forms the core of everything we do at V-Mart. This was visibly clear when we decided to implement an ERP system when we opened our first-ever store in 2003, an unusual step for any company starting off. Today, we stand here as a value-retail giant in the country, and this has been made possible on the backbone of technology. Going forward as well, we will continue to implement the latest technologies to ensure we are always able to stay ahead of the curve."
>
> **Jaideep Jaiman**



Restructuring to Enhance Efficiencies

At V-Mart, we are in the constant process of enhancing efficiencies in order to deliver better products to our customers. During the year, we embarked on a series of initiatives aimed at elevating our existing private labels. To facilitate this transformation, our merchandising department has undergone a comprehensive restructuring, dividing it into three distinct divisions: Design, Technical and Quality, and Sourcing.



Design

Within the Design division, we have established a robust team led by a capable Design Head. This team will integrate the latest fashion trends from both domestic and international markets, ensuring that our product lines are infused with cutting-edge styles. By embracing the concept of fast fashion and expanding our segments beyond the value segment, we will effectively adapt to evolving consumer preferences and broaden our offerings.

Technical and Quality

Recognising the importance of technical expertise and quality assurance, we have also created a new dedicated Technical and Quality department. This specialised team will address specific issues related to product technicalities, ensuring that our products meet the highest standards of quality. By maintaining a focus on product excellence, we aim to enhance customer satisfaction and loyalty.

Sourcing

To harness the power of data, we are introducing analytics-based stores that will enable us to make more accurate projections and informed decisions. Leveraging data-driven insights, our Buying and Sourcing teams will adopt strategic approaches to optimise purchasing and sourcing activities. This will result in cost reduction and improved supply chain efficiency, ultimately benefitting the entire Company.

> Unlocking the power of analytics across every facet of V-Mart is our compass to navigate the future of retail. By seamlessly integrating data-driven insights, we strive to make informed decisions at every level, fostering innovation and customer-centric growth. From the shop floor to the boardroom, weaving analytics into our DNA empowers us to craft personalised experiences, elevate operational excellence, and steer our journey towards a data-empowered tomorrow."
>
> **Dinesh Srivastava**





Digital Initiatives Undertaken

At V-Mart, we are in the constant process of enhancing efficiencies in order to deliver better products to our customers. During the year, we embarked on a series of initiatives aimed at elevating our existing private labels. To facilitate this transformation, our merchandising department has undergone a comprehensive restructuring, dividing it into three distinct divisions: Design, Technical and Quality and Sourcing.

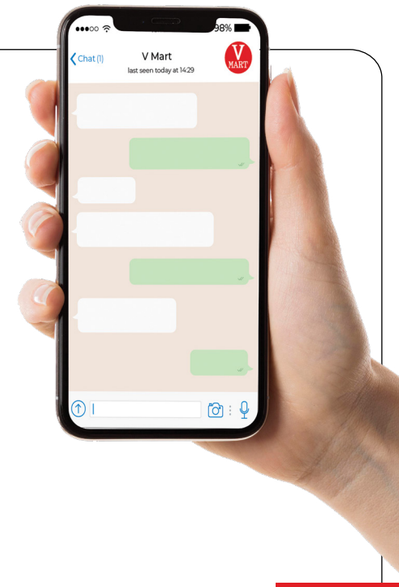
Customer Data Platform (CDP)

We have successfully created our own customer data platform (CDP) in order to increase engagement with our loyal customers, who have been associated with us for a while. Through our data platform, we have been able to deliver personalised messages and exclusive offers to our customers, which has resulted in increased sales. We have introduced a new feature, which allows our customers to interact with us through our official WhatsApp handle. This new functionality empowers our customers to conveniently search for exclusive coupons tailored specifically to them.

Earlier, during our festive seasons, customers faced challenges locating the coupons issued to them within their messages. Store managers had to manually check various panels, and in exceptional cases, seek assistance from zonal or head office personnel.

~₹150 Cr

Additional sales as a result of our efforts through CDP in FY 2022-23



Intellectual Capital



Right Products for the Right Store

To ensure that our stores offer the most suitable merchandise selection, we have implemented a recalibration process during the year. By considering regional preferences, competition analysis, and customer surveys, we aim to curate products that align with the specific needs and preferences of each location.

Through this, we have successfully delivered recommended merchandise mixes based on these factors. During the early pilot phases, we recorded growth in our monthly rate of sale across various divisions, with improvements reaching up to 3%.

Product Information Management (PIM)

We have experienced significant growth in our omnichannel orders, and we attribute this success to our focus on digitalisation. Internally, we have developed a Product Information Management (PIM) system, which plays a crucial role in various aspects of our operations. This includes aiding in image search and editing, cataloguing, and listing of products.

We have witnessed a remarkable increase in our daily listings; it has increased from ~50 options per day to 1,000 options per day. This substantial increase in listings has allowed us to expand our product offerings and cater to a broader range of customer preferences.

Demand Forecasting

Our VMart's data science and engineering team collaborated with external consultants to automate and implement merchandise planning processes, particularly in the area of demand forecasting. Through our joint efforts, we have achieved a remarkable milestone in more accurately predicting monthly demand for every season, achieving an impressive accuracy rate of ~71% across over 250 departments.

Compared to the adjusted monthly forecast derived from manual analysis, our automated forecasting model has demonstrated a notable improvement in accuracy. This enhanced precision enables us to make more informed decisions and optimize our merchandise planning strategies effectively.

As a result of our concerted focus, we have been able to significantly reduce the turnaround time. This significant reduction in runtime allows us to generate on-demand forecasts promptly, providing our stakeholders with real-time insights to drive decision-making.

~71%

Accuracy derived in demand forecasting

The first version of our recommended forecast model, which previously required up to 8 days to run, has now been reduced to 15 minutes.

~50

Options listed per day before the implementation of PIM

~1000

Options listed per day after the implementation of PIM

Improving our Omni-channel Culture

To ensure a strong omnichannel culture and adherence to service level agreements (SLAs) across our expansive network of over 400+ stores throughout India, we have taken deliberate measures to align and communicate the pace of growth and incentives to our stores. Through carefully crafting sales incentives and multiple rounds of culture building store staff trainings, we have successfully fostered the growth of our endless aisle orders. In just 9 months since implementation, we have witnessed a remarkable increase from 200 orders per month to over 12,000 orders per month.

This exponential growth is a testament to our effective incentive programs that motivate and empower our store teams to actively promote and fulfil omnichannel orders. In order to address customer concerns promptly and efficiently, we have provided our stores with access to real-time customer order and ticket status information. This empowers our store teams to serve as an extension of our customer relationship management (CRM) team at the head office. By having direct access to this vital information, our stores can provide immediate assistance and resolve any issues faced by our valued customers, ensuring a seamless and satisfactory shopping experience.

Order Management Systems (OMS)

As we fulfil online orders directly from our stores, maintaining accurate inventory records is crucial, especially considering the need for stores to operate with limited inventory depth. We have prioritised inventory analysis and implemented automation processes to ensure that the right SKUs with optimal inventory depth are available and visible in marketplaces. Our Order Management Systems (OMS) play a vital role; through this, orders are intelligently routed to alternative nearby stores if the original store is unable to fulfil the order.

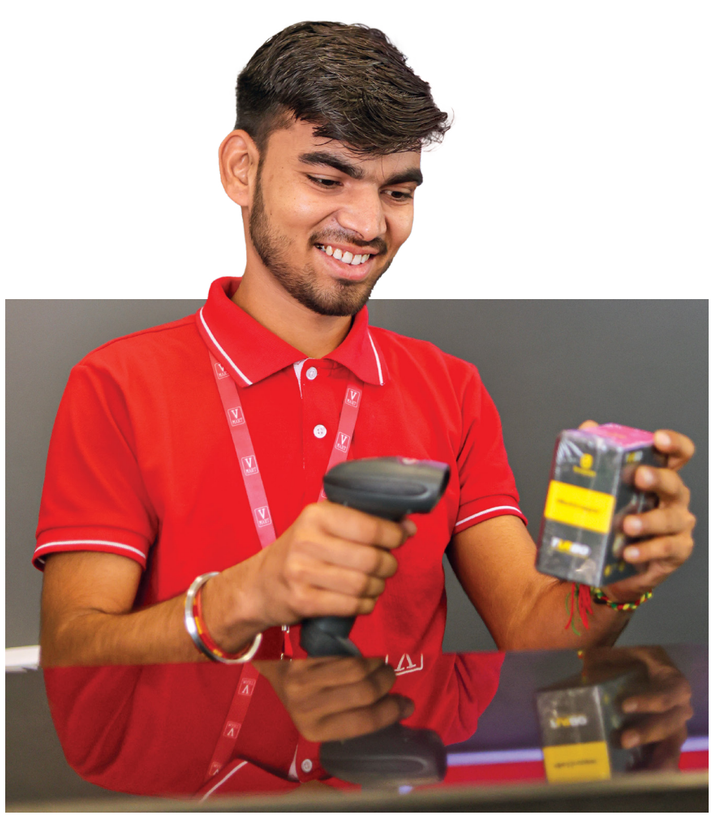
This dynamic allocation of orders ensures that customers receive their purchases in a timely manner, even if the inventory at the originally allocated store is insufficient. By focusing on inventory accuracy and leveraging our order management systems, we can effectively balance inventory depth across stores and maximise customer satisfaction. These efforts enable us to fulfil online orders efficiently and seamlessly, regardless of the specific store's inventory availability.

~200

Orders per month in 2021

~12,000

Orders per month after the implementation of specially-crafted sales incentives



NATURAL CAPITAL

With a focus on environmental sustainability, we actively engage in initiatives to reduce our carbon footprint, raise awareness on climate change, and promote sustainable practices. We strive to engineer innovative solutions and mitigation mechanisms to conserve the environment, ensuring a sustainable future for all.



Relationship with Other Capitals

- Financial Capital
- Human Capital
- Social and Relationship Capital

Natural Capital

Efficient Energy Management

At V-Mart, we recognise the significance of energy availability and its impact on our business, both directly and indirectly. As a business dependent on people and IT infrastructure, energy plays a vital role in our operations. However, energy availability itself is a concern, especially considering the operational footprint in Indian cities where frequent power shortages necessitate the use of diesel generators. This not only increases operational costs but also leads to higher carbon emissions.

Energy-Efficient Measures

To address the energy shortage challenges and promote energy conservation, we implemented various energy efficiency measures.

In stores we installed energy efficient lighting which resultant in saving of electricity saving. All air conditioning units are equipped with temperature regulator sensors to prevent energy wastage. Also we opted for cable tray model that minimises wastage in electric equipment and enhances efficiency.

In warehouses, we installed 150 additional motion sensors in storage areas, racks, and washrooms, resulting in daily energy savings of 7 KW per day per location. In the warehouse, the installation of motion sensors has led to substantial annual electricity saving, while the use of energy-efficient LED lights has further contributed to energy conservation.

20,160 KW

Electricity saving per year due to motion sensor installation

2,600 KW

Electricity saving per year due to usage of energy-efficient LED lights



At our Head Office, we practice judicious electricity usage under which we installed energy efficient lighting and air conditioning systems which resultant in saving of electricity units at Head Office.

Other Initiatives

- We have replaced old machinery with energy-efficient 5-star rated at our ecosystem, ensuring optimal energy utilisation throughout our operations.
- To maintain a Lux level of 350 in the warehouse, we have replaced higher wattage LED lights with lower wattage options. This change has resulted in daily energy savings of 2 KW per installation per day.
- We have implemented a digital dashboard system to capture and monitor energy meter readings, enabling us to identify and address any energy leakages promptly.
- A dedicated time is allocated for switching off all power points during lunch breaks, ensuring that unnecessary energy consumption is minimised.
- Messages have been placed near switches and doors as reminders for individuals to switch off electricity when leaving a room, promoting a culture of energy conservation.

Water and Effluent Management

Water scarcity is a growing concern, and at V-Mart, we recognise the importance of water conservation. We have implemented various initiatives to minimise water wastage and promote responsible water usage across our head office, store and warehouse.

We actively recycle approximately 8% of water through conservation practices at our overall ecosystem. This recycled water is internally reused for purposes such as flushing and landscaping.



Water Conservation Initiatives at Head Office

At our head office, an average of 1,000 litres of drinking water is required daily for approximately 450 individuals, including employees, visitors, and staff members. To meet this demand, a water filtration system generates around 3,000 litres of wastewater on weekdays. During the year under review, we reused a substantial amount of wastewater for dishwashing, reducing our dependence on external water supplies.

In addition, we installed automated sensors in water tanks and coolers, we have significantly reduced water wastage. On average, we save 700 litres of water per day, which was previously lost due to spillage caused by manual motor starters.

Rainwater Harvesting: We have initiated groundwater recharging through rainwater capturing at our Head Office premises. This initiative has allowed us to capture approximately 6.76 Lacs litres of rainwater in FY 23, contributing to sustainable groundwater management.

7.4 lakh litres

Of wastewater reused during the year

Water Conservation Initiatives at our Stores

At our store we are utilising the 700 to 1000 litre water/day, which is 65% lower than the prescribed usage. The waste RO water, amounting to 4,200 litres per day, is utilised for cleaning and gardening purposes. Regular preventive maintenance of the RO systems is performed to minimise effluent generation.

Water and Effluent Reduction Measures at Warehouses

To address water wastage, we have installed sensors in water tanks throughout the facility. This measure has led to a significant reduction in water wastage, saving approximately 800 litres of water per day. The sensors automatically shut down the submersible water pump when the water tank reaches its capacity, preventing unnecessary overflow and promoting efficient water usage.

Another key initiative is the utilisation of waste Reverse Osmosis (RO) water for gardening and cleaning purposes. Annually, we effectively utilise approximately 1,280,000 litres of waste RO water, contributing to resource conservation and minimising water waste.

2.56 lakh litres

Reduction in water wastage per year

Product Sustainability

Our Company's sustainability leap involves creating 5 Lakhs pieces using recycled materials, minimizing waste and raw material demand. This aligns with our sustainability pledge, trimming costs, and promoting a circular economy. Our commitment extends to repurposing fabric waste, and this year, we are implementing vendor knowledge programmes to encourage recycling and compliance for sustainable production. This reflects our dedication to quality and sustainability.

Natural Capital



Minimising Waste through Sustainable Practices

Efficient waste tracking and management are integral parts of our operations. We are committed to reducing waste and promoting recycling through various sustainable practices. Our focus lies on utilising recycled materials, reusing carbon boxes, reducing plastic and paper usage, and managing scrap effectively.

Furthermore, we prioritise responsible waste management by disposing of plastic waste in compliance with ESG norms. This ensures that plastic waste is handled appropriately, minimising environmental impact.

Recycling and Reusing in Packaging

Through continuous assessment of operational risks, we ensure proper waste management practices. Currently, all the waste generated at our facilities is recycled through authorised vendor tie-ups.

We prioritise the use of recycled materials for packaging, with significant portion of our packaging consisting of recycled materials. This commitment to utilising recycled resources minimises the environmental impact associated with packaging production. Another key initiative is the reuse of carton boxes to extend their lifecycle. This year, we successfully reused 2,88,000 carton boxes for packing, reducing the need for new packaging materials and further minimising waste.

80%

Recycled materials are being used for packaging

Reducing Plastic Usage

To tackle plastic waste, we have implemented measures to reduce plastic bag usage within our workstations. We adopted a waste segregation approach in our headoffice that helped us reduce our plastic bag usage by 10 kg per month, amounting to approximately 120 kg in weight for the fiscal year. We have also taken a initiative on not using internal LDP plastic bag for serving online orders of customers.

Paper Usage Reduction

To promote paperless operations, our Head Office teams have embraced scanning documents for record purposes and utilising double-sided printing when necessary. This concerted effort has resulted in an approximate 70% reduction in monthly paper usage. We have saved around 40 paper rims per month, totalling 480 paper rims for the fiscal year. In total, we have saved approximately 2,40,000 sheets of paper, weighing approximately 1,100 kg, throughout the year.

70%

Reduction in monthly paper usage

Scrap Management

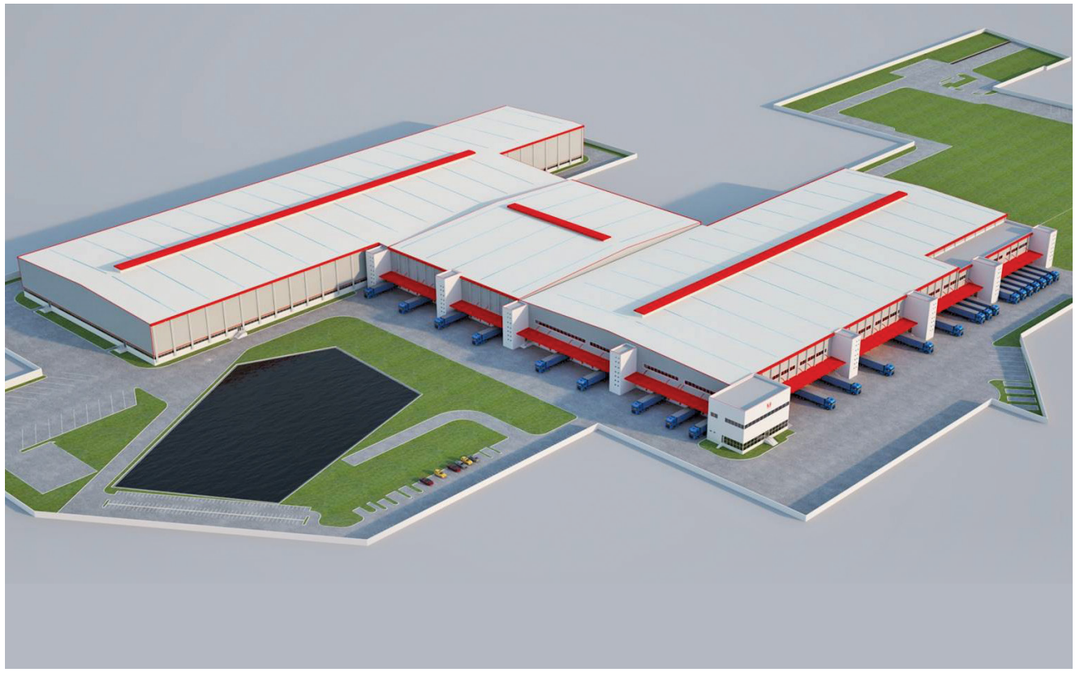
We prioritise the recycling of metal and wood scrap to fabricate tables and racks for our operations. Annually, we recycle approximately 1.2 tonnes of material. Last year, we successfully reused 4.5 tonnes of metal scrap to fabricate tables and racks, further supporting sustainable resource utilisation.

4.5 tonnes

Scrap metal reused for fabricating tables and racks

Go Green Drive for Sustainable Warehousing

In our pursuit of environmental responsibility, we have adopted the green building design for our new warehouse. The Company's state-of-the-art facility has aimed to adopt the standards of the IGBC Gold Certification, reflecting its dedication to energy efficiency, eco-friendliness, and waste reduction. The warehouse incorporates innovative features and initiatives to minimise environmental impact.



Energy Efficient

The warehouse will be fully automated and uses energy efficient electric components. It is designed to utilise natural light through sun roof and wall windows. A solar power plant is being installed that powers machinery during the day, eliminating the need for cooling and heating devices.

500 KW

Solar power plant is being installed at the warehouse

Green Construction

The warehouse is being built with green materials and extensive tree planting efforts are undertaken on the premises. In addition, with a focus on minimising waste, we have been using environmentally friendly packing materials. Moreover, we will be reusing 95% of the packaging materials received from vendor with an objective of making it a paperless warehouse.

38,000

Saplings are planted on the premises of the warehouse

Promoting Go Green Drive in our ecosystem

We actively engage our employees, community and even customers, fostering a sense of shared responsibility and environmental stewardship. Our employees voluntarily devote nearly 1000 hours to tree planting initiatives. We have planted around 25-30 plants around every new stores. Moreover, we distribute free saplings to customers, raising environmental awareness and encouraging greener practices. Various tree planting events are Go Green organised within our workplaces, including the warehouse and government-approved areas, to enhance green spaces

HUMAN CAPITAL

Human Capital holds significant importance within our organisation. It encompasses our employees, their distinctive skill sets, knowledge, and valuable experience.



We firmly believe that they bring immense value and have the potential to contribute significantly to our Company's growth and development. Our foremost objective is to cultivate an employee-friendly environment that prioritises their well-being. In turn, our employees consistently deliver exceptional performance, fostering mutual growth and progress.

Relationship with Other Capitals

- Financial Capital
- Human Capital
- Social and Relationship Capital

Human Capital

Fostering a culture of Collaboration, Transparency and Teamwork

We foster a people-centric culture that values collaboration, open communication, and teamwork. We are committed to diversity and inclusion, implementing initiatives to improve representation and providing training to address unconscious biases. With a strong focus on employee development and career progression, we also offer various training opportunities and encourage internal mobility. In addition to this, we also emphasise corporate social responsibility, engaging employees in CSR initiatives and promoting sustainability and community engagement.

Workforce Composition as on 31st March, 2023

Employees	Age Group			
Permanent Employees	Below 30	30-50 years	Over 50 years	Total
Male	4-,392	2,618	72	7,082
Female	1,727	521	3	2,251
Total	6,119	3,139	75	**9,333**

Diversity and Inclusion

Promoting diversity within our workforce remains a significant driver in our pursuit of customer centricity and our goal to be an employer of choice. Over the years, we have undertaken a slew of initiatives to ensure we are able to eliminate any form of bias or discrimination within the organisation.

As a result of our concerted efforts to eliminate gender biases, we currently possess a women representation of ~30% in our workforce. We also conducted a Women Satisfaction Survey, in which 74% of the women reported high engagement and satisfaction with the work environment, wellness initiatives, and targeted training sessions designed to meet their specific needs.

We are also aiming to have a minimum of 30% women representation of senior leaders by the end of FY 2023-24. We are also committed to reducing the gender pay gap and ensuring equal pay for equal work, fostering a fair and inclusive work environment for all employees.

Besides this, we are in the process of launching a Disability Network in FY 2023-24, which would provide valuable support and resources to employees with disabilities and their managers. We have formed partnerships with disability organisations to improve accessibility in our stores and create employment opportunities for people with disabilities.

We opened a one-of-a-kind women-only store on 31st March, 2023 at Jowai, Meghalaya, in line with our focus of promoting equality. The store has been performing extremely well and has shown an impressive retention rate.



2,251
Permanent women employees

~30%
Percentage of women in our total workforce

74%
Percentage of women who regarded V-Mart as a satisfactory work environment in the

Differently-abled employees

For Current Year	Age Group			
Permanent Differently abled Employees	Below 30	30-50 years	Over 50 years	Total
Male	62	35	0	97
Female	20	4	0	24
Total	82	39	0	**121**

Training and Development

We prioritise the growth and development of our employees, recognising the invaluable role that training and development play in fostering organisational success. We have curated comprehensive training programmes tailored for employees across all levels.

Frontline Level

For our frontline employees, such as sales associates and cashiers, we have implemented thorough training initiatives that focus on enhancing customer service skills, product knowledge, and sales techniques.

By empowering our employees with these essential skills, we enable them to excel in their roles and deliver exceptional service to our valued customers.

Middle Level

Our mid-level employees are provided with dedicated training and development opportunities to support their career advancement.

Our initiatives encompass leadership development, managerial skills training, and cross-functional programs, equipping our employees with the expertise required to succeed across various areas of our operations.

Leadership Level

At the leadership level, we place great emphasis on nurturing and supporting our senior leaders. Our comprehensive leadership training programmes, coupled with personalised coaching and mentoring, provide the necessary tools and guidance for their continued growth. Additionally, our senior leaders have access to executive education programmes and the opportunity to participate in industry events, conferences, and networking activities, ensuring they stay at the forefront of the ever-evolving retail landscape.

Retail Excellence Programme

This programme is dedicated to train and develop customer-centric retail professionals to deliver exceptional shopping experiences.

Management Development Programme

This programme equips middle-level managers with vital skills in team building, performance management and strategic planning.

Leadership Development Programme

This programme focuses on empowering senior leaders with the abilities to envision the future, manage change, and lead with purpose.

Human Capital

Technical Training Programmes

Our specialised technical training programmes enable employees across all levels to gain expertise in critical areas such as merchandising, supply chain management, and customer analytics.



97%
Employees covered under training sessions for skill upgradation

100%
Employees covered under training for health and safety

40 hours
Average training hours per employee

Rewards and Recognition

We have established a well-defined rewards and recognition mechanism to attract and retain talented employees. Our approach includes the following elements:

Base Salary: We offer competitive salaries to our employees, aligning with industry standards and experience levels. Our salary structure is carefully designed to attract and retain skilled individuals who contribute to our organisation's success.

Performance-based Incentives: We have implemented a performance-based incentive program that recognises and rewards employees for achieving or surpassing their performance targets. The structure of these incentives varies based on job roles, serving as a motivational tool to drive exceptional performance.

Employee Stock Options: Eligible employees get the opportunity to participate in our employee stock options program. This long-term compensation approach serves as a reward for their dedicated contributions towards the growth and success of V-Mart.

Health and Welfare Benefits: We prioritise the well-being of our employees by offering comprehensive health and welfare benefits. These include medical insurance, life insurance, and accident insurance, ensuring that our employees and their families are protected during unforeseen circumstances.

Recognition and Awards: Our recognition and awards programme celebrate and acknowledges employees for their exceptional performance and contributions. This includes quarterly awards such as Trendsetters and Aspire for employees at various levels, as well as Spot Awards, enabling managers to instantly express gratitude and appreciation for their team members.

100%
Employees covered with comprehensive health benefits

100%
Employees covered under accident insurance

39%
Employees eligible for maternity/paternity benefits (100% in case of women)



Employee Engagement

Employee engagement plays a crucial role in driving organisational success as it leads to increased productivity, innovation, and commitment towards achieving company goals. At V-Mart, we have implemented various strategies to enhance employee engagement:

Setting Clear Expectations: We emphasise the importance of setting clear expectations. By clearly defining employee roles and responsibilities and illustrating how their work contributes to the company's success, we create a sense of purpose and ownership. To ensure clarity, we conducted Humrahi sessions throughout the organisation, providing goal-setting guidance and aligning performance expectations.

Offering Training and Development Opportunities: We prioritise the growth and development of our employees. We have launched Competencies 2.0 across all designations, offering training and development opportunities to enable employees to acquire and enhance future-forward skills through upskilling and reskilling initiatives.

Recognise and Reward Employees: We strongly believe in recognising and rewarding employees for their accomplishments. To foster employee engagement, we have introduced revamped recognition programs across all verticals, organised employee appreciation events, and implemented informal shoutouts, such as spot awards, to acknowledge and appreciate their contributions.

Foster a Positive Work Environment: Creating a positive work environment is a key focus at V-Mart. This year, we dedicated efforts to strengthen our M.A.G.I.C (Meaning, Autonomy, Growth, Impact, Connect) culture pillars. Initiatives were undertaken to promote open communication, encourage collaboration among employees, and recognise the importance of maintaining a healthy work-life balance.

SOCIAL AND RELATIONSHIP CAPITAL



At V-Mart, we have successfully built and nurtured robust relationships with a diverse range of stakeholders, encompassing customers, communities, governments, distributors, and suppliers.

Our strong social partnerships and stakeholder relationships are deeply intertwined with our unwavering commitment to delivering the best quality products and services, all while upholding the highest standards of ethical business practices. Through our CSR programmes, we focus on providing nutritious food, quality education, disaster relief, supporting sports, promoting environmental initiatives, animal welfare, and road safety, and create a lasting impact on the community.

Relationship with Other Capitals

- Financial Capital
- Intellectual Capital
- Human Capital
- Natural Capital

Social and Relationship Capital

Supply Chain

Our supply chain strength is reinforced by robust partnerships with 3,503 vendors and sourcing partners, forming the backbone of our operations. These connections are the cornerstone of our supply chain, ensuring its resilience even in the face of challenging circumstances. We prioritise local sourcing, which is bolstered by efficient supply chain management practices. By sourcing locally, we not only support local businesses and communities but also enhance the efficiency and effectiveness of our supply chain.

Promoting best practices in supply chain management is a key focus for us. We continuously strive to optimise our processes, improve transparency, and ensure the highest standards of quality and reliability throughout our supply chain.

In addition to this, to streamline operations, we have implemented a centralised supply chain management approach that spans sourcing, distribution, and store replenishment levels. This centralised system enables us to effectively manage inventory, minimise stockouts, and optimise resource allocation, ultimately enhancing the overall efficiency of our supply chain.

We recognise the critical role that our supply chain plays in delivering exceptional value to our customers. Through strong vendor relationships, local sourcing, and efficient supply chain management practices, we ensure the smooth and reliable flow of products, allowing us to meet customer demands and uphold our commitment to excellence.

Customer-centricity

Customer-centricity is at the core of everything we do. We are always dedicated to understand and fulfil the needs of our customers, ensuring their satisfaction and creating meaningful experiences that exceed their expectations.

Read more about our customer-centric initiatives on

Page 48

69%

Repeat sales from loyal customers



Corporate Social Responsibility

At V-Mart, our CSR philosophy centres around giving back to and engaging with the local communities where our store clusters and sourcing hubs are located. We are committed to making a positive impact on these communities by enhancing their quality of life and overall well-being in a sustainable and responsible manner. Through our CSR initiatives, we aim to create lasting benefits that uplift and empower the communities we serve.

Key Initiatives Undertaken during the Year

Plaksha - Reimagining Higher Education

We support and provide scholarships to 12th passed students aspiring to attend world-class undergraduate programmes. This initiative aims to empower talented children and promote quality education and we covered states like Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Telangana, West Bengal, and Uttar Pradesh.



400+

Stakeholders who got benefitted under this programme



Community Free School

In West Bengal, we run the Community Free School programme, where we provide education and nutritious food to 396 street and rural children. This initiative aims to address educational gaps and improve the overall well-being of these children.

Debanshu Saha

3+ | Male

Panpur, 24 North Parganas, West Bengal

Initial Situation

Debanshu initially exhibited profound introversion and restlessness, with limited exposure to reading and writing skills.

Progress

Now, he eagerly attends school every day, experiencing new found happiness, and has started to actively engage with his peers. His progress is evident as he can now read English alphabets proficiently, keeping pace with his classmates. Additionally, he has developed the ability to write numeric numbers from 1 to 10 confidently. These achievements showcase his comprehensive growth and development.

Ritika Mondol

7+ | Female

Shyamnagar, 24 North Parganas, West Bengal

Initial Situation

Ritika, who belongs from an economically disadvantaged family, was introverted in nature and had limited academic exposure, as she faced significant obstacles in gaining admission to schools.

Progress

Since joining the community free school centre, she has undergone a remarkable positive transformation in her behaviour. With the guidance and support of the centre's teachers, she has made notable progress in her academic journey; she can now read small stories and displaying growing proficiency in literacy and excelled in the practice of yoga and other physical activities. These achievements reflect the comprehensive development and growth of Ritika.

Social and Relationship Capital

Assam Flood Relief

During times of crisis, we stand with affected communities. In Assam, we have provided relief packages to **support 605 households**, including food, health, and sanitation essentials. Our aim was to assist those in need and help them regain stability after the floods.



Plantation Drive

Across Andhra Pradesh, Assam, Bihar, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Tripura, West Bengal, Uttar Pradesh, and Uttarakhand, we conduct plantation drives. These initiatives involve local V-Mart store team members planting trees to benefit the surrounding communities and promote environmental sustainability. We also gifted our customers plant saplings to spread awareness among the new generation.



Girl Angel Homes

In Haryana, we **support 17 homeless orphans,** destitute, and abandoned girl children through daily nutritious food and education support. Our aim is to provide a safe and nurturing environment where these girls can thrive and pursue a better future.



Road Safety Initiative

In Andhra Pradesh, Assam, Bihar, Haryana, Jammu and Kashmir, Jharkhand, Karnataka, Maharashtra, Odisha, Tamil Nadu, Tripura, West Bengal, Uttarakhand, Uttar Pradesh, and other regions, we conduct awareness sessions on road safety. Collaborating with local traffic police, we raise awareness among commuters to promote safer roads.



Initiative for Rescued Street Dogs

In Haryana, we have supported a shelter home where we have adopted approximately **85 abandoned street dogs**. We provide them with shelter and support their food requirements, contributing to their well-being.



Education Initiative for Daily Wage Workers' Children

In Haryana, we have taken steps to provide basic education in reading and writing to approximately **30 children of daily wage workers.** This initiative aims to empower children with foundational learning abilities and open doors to future opportunities.



Social and Relationship Capital

Skill Development



At V-Mart, we have implemented the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) Skill Development programme initiated by the Ministry of Rural Development.

Since its implementation, we have been able to make a significant impact in the areas of skill development in rural areas. Through collaboration with Retailers Association's Skill Council of India (RASCI) certified trainers from diverse social backgrounds, we ensure comprehensive training in retail management, skill development and communication, and IT skills.

The residential programme varies between 4-6 months, including accommodation, nutritious food, and uniform.

Upon completion of the training, candidates are equipped for various job roles like Cashier, Trainee Associate, Sales Associate, and Team Leader. Our dedication to the candidates does not end there; post-placement, we provide Post-Placement Service (PPS) and continue tracking and supporting their post-placement journey for a year, making a lasting impact on their lives.

Coverage

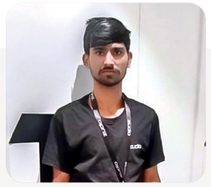
7
States

98
Districts

6,291
Candidates enrolled

2,713
Villages

Success Stories



Surendra Kumar Prajapat

Surendra Prajapat, a 12th-grade student from the village of Shyamota in Sawai Madhopur, once led a life without any purpose. However, his determination to upgrade his life led him to an incredible success story with V-Mart Retail Ltd.'s DDU-GKY Skill Development Programme.

Upon coming into contact with V-Mart's Mobilisation Team, Surendra decided to seize the opportunity and enrolled in the Retail Sales Associate course at the Udaipur Skill Development Centre. Throughout his training journey, Surendra received unwavering support and guidance from the DDU-GKY staff, which helped him develop his personality and acquire a comprehensive skill set.

With dedication and hard work, Surendra improved his Soft Skills, Communication Skills, Interpersonal Skills, and Salesmanship, transforming him into a confident and capable individual. Upon completing his training successfully, V-Mart's DDU-GKY programme supported him in securing an interview at ZUDIO TRENT LIMITED for the Retail Sales Associate position, and Surendra was chosen for the role. Today, he not only plays the role of a Sales Associate but also serves as a Department Manager, showcasing his growth and progress in the retail industry.



Manoj Das

Mr. Manoj Das, hailing from the rural region of Bindapura, comes from a nuclear family of five, where his father is the sole bread earner as a farmer. To support his family amidst rising living costs, Manoj took the initiative to excel academically, showcasing his quick learning abilities.

When V-Mart's Mobiliser introduced him to the DDU-GKY initiative, Manoj saw a tremendous opportunity and enrolled at V-Mart Skill's Development Centre, Bhubaneswar. During the six-month course, he honed his skills, gained sectorial knowledge, and developed proficiency in Basic English, computer operations, and resume writing.

After completing the course, Manoj secured a position as a Sales Associate at Tata Trent (Chennai) and has been thriving in his role.

His success story stands as a testament to the transformative impact of the Skill India Mission training initiative, and he and his family are grateful to V-Mart Skill's Academy for making his future brighter. The support and guidance from the coaches continue to accompany him on his journey to success.



Antima Sharma

Antima Sharma, a postgraduate from Jhonpra village, Sawai Madhopur, had an encounter with V-Mart Retail Ltd.'s Mobilisation Team, which ignited her curiosity to enhance her life. Inspired by their guidance, she enrolled in the RETAIL SALES ASSOCIATE programme at V-Mart Skill Development Centre.

Throughout her training, Antima received unwavering support and guidance from the DDU-GKY staff. Her participation in the skill training programme led to a significant improvement in her soft skills, communication abilities, interpersonal aptitude, and salesmanship.

Upon successfully completing her training, V-Mart and DDU-GKY provided Antima with the opportunity to interview for an HR position at LMDMAX INDIA PRIVATE LIMITED. Impressing the recruiters, she was selected for the role of Operations Analyst. Today, she proudly holds the esteemed position of Senior Analyst, showcasing her remarkable journey of success and growth.



Km. Jhilima Digal

Km. Jhilima Digal, hailing from the rural region of Gunjhibadi, belongs to a nuclear family of six, where her father is the sole bread earner as a farmer. To support her family amidst rising living costs, Jhilima's determination to excel academically shines through as she proves to be a quick learner.

When V-Mart's Mobiliser introduced her to the DDU-GKY initiative, Jhilima saw a great opportunity and enrolled at V-Mart Skill Development Centre, Bhubaneswar. During the six-month course, she honed her skills, gained sectorial knowledge, and developed proficiency in Basic English, computer operations, and resume writing. After completing the course, Jhilima secured a position as a Sales Associate at TATA TRENTS (Hyderabad), where she has been working effectively and happily.

Her success story stands as a testament to the transformative impact of the Skill India Mission training initiative, and she and her family are grateful to V-Mart Skill Development for making her future brighter. The continued support from the coaches ensures that Jhilima's journey to success remains on track.

Awards and Accolades

RECOGNISED FOR EXCELLENCE



Won the prestigious Golden Peacock Award for Excellence in Corporate Governance, 2022 by the Institute of Directors



Won the Certificate of Appreciation at the 22nd ICSI National Awards for Excellence in Corporate Governance by ICSI

V-Mart Certified as India's Best Workplace in Retail, 2023 - by Great Place to Work supported by RAI



Won the IMAGES Most Admired Retailer of the Year for New Market Penetration at IRA 2022

Corporate Information

BOARD OF DIRECTORS

1. **Aakash Moondhra** (Chairperson, Non-Executive, Independent Director)
2. **Lalit 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 Agarwal** (Member)
3. **Madan Gopal Agarwal** (Member)

Corporate Social Responsibility (CSR) Committee

1. **Sonal Mattoo** (Chairperson)
2. **Lalit 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 Agarwal** (Chairperson)
2. **Madan Gopal Agarwal** (Member)
3. **Govind Shridhar Shrikhande** (Member)
4. **Anand Agarwal** (Member)

Warehouse Committee

1. **Lalit 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
4th Floor, Office 405,
World Mark – 2 Asset No. 8,
IGI Airport Hospitality District,
Aerocity, New Delhi – 110 037 India
Tel.: +91 11 61229500
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
Website: www.vkcindia.com
Contact Person: Ishan Khanna,
Partner Membership No.: 53517
CP No.: 24258

Internal Auditors

KPMG Assurance and Consulting Services LLP
Building No. 10, 8th Floor,
Tower-C, DLF Cyber City,
Phase-II, Gurugram – 122 002
Tel.: +91-124-3074000
Website: www.kpmg.com/in

Bankers

State Bank of India
ICICI Bank
HDFC Bank
Axis Bank

Registered Office

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

Corporate Office

Plot No. 862, Udyog Vihar,
Industrial Area, Phase – V, Gurugram,
Haryana – 122 016, India.
Tel.: +91 124 - 4640030
Fax: +91 124 - 4640046
Email: info@vmart.co.in
Website: www.vmart.co.in
CIN: L51909DL2002PLC163727

Warehouse

Bilaspur, Haryana
Bengaluru, Karnataka

Registrar & Share Transfer Agent

M/s KFin Technologies Limited
Selenium Tower B, Plot No. – 31 & 32, 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
2. **Anand Agarwal** - Chief Financial Officer
3. **Snehal Shah** - Sr. Vice President (Projects & Business Development)
4. **Nitin Goel** - Assistant Vice President (Planning)
5. **Ramesh Agarwal** - Vice President (Supply Chain Management)
6. **Jaideep Jaiman** - Vice President (Analytics & Digital Transformation)
7. **Syed Ali Athar** - Vice President (CSR & Skill Development Initiative)
8. **Anjali Goel** - Vice President (Human Resource)
9. **Dinesh Srivastava** - Assistant Vice President (Information Technology)
10. **Jayesh Kothari** - President (Merchandising)
11. **Suchishree Mukherjee** - Chief Executive Officer (CEO) - LimeRoad
12. **M. Srinivasan** - Vice President (Planning & Supply Chain) (resigned during the year)

Management Discussion & Analysis

Economic Overview



Global Economy

Despite a year fraught with multiple challenges, including the Russia-Ukraine conflict, COVID-19 lockdowns in China, elevated inflation, and tightening monetary policies, the global economy displayed remarkable resilience and encouraging signs of recovery. In 2022, global real GDP exhibited robust growth of 3.4%, surpassing initial expectations. Notably, several major economies experienced stronger growth than anticipated, attributed to China's reopening and the resilient consumption in the United States.

On the supply side, favourable conditions for rebounding key sectors of the global economy were created by the easing of supply chain bottlenecks, reduced transportation costs, and the reopening of China's economy. The shocks to energy and food markets resulting from the Russia-Ukraine conflict are gradually diminishing. Moreover, the coordinated tightening of monetary policies by numerous central banks is beginning to yield positive results, as inflation is returning to targeted levels. In early 2023, inflation has already peaked in the United States and Europe and is now declining in other significant economies, including Japan, China, and India.

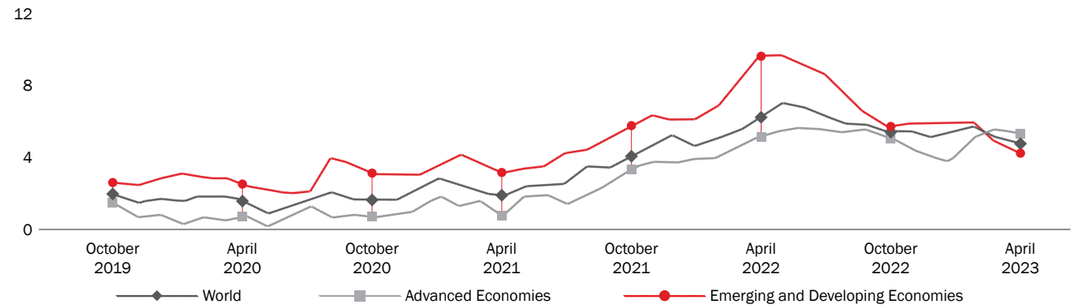
Outlook

The OECD economic outlook reveals positive signs of improvement in various economic indicators. Global output PMI, industrial production, and retail sales are showing positive trends, leading to a year-to-date global GDP growth rate of approximately 3%. This progress can be attributed primarily to a significant decline in energy prices and improved growth prospects resulting from the reopening of China's economy. Other contributing factors include the alleviation of pressure in global supply chains. Furthermore, the IMF projects a decrease in global inflation from 8.7% in 2022 to 7.0% in 2023. According to the IMF, the global economy is expected to grow by 2.8% and 3.0% in 2023 and 2024, respectively. As the economic shocks that have influenced growth in recent years diminish, many economies are moving closer to the growth trajectory observed before the pandemic.

A noteworthy factor anticipated to shape growth in 2023 is the global trend of governments adopting a more proactive approach to industrial policy. This approach aims to restore the state's role in national and global economic development. For instance, China is expected to continue utilising fiscal policy and pursuing investment-driven growth, alongside other measures aimed at boosting domestic consumption. Similar examples include the US's $280 billion CHIPS and Science Act, India's PLI scheme, and the European Green New Deal, among others. Consequently, this trend is expected to foster industrial development in crucial public sectors like infrastructure, while also prioritising industries of increasing importance, such as renewable energy.

Inflation at its Peak

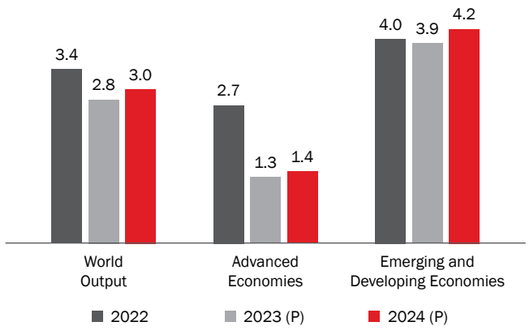
(%)



(Source: IMF World Economic Outlook April 2023)

Global Growth Trend

(%)



(P = Projected)

(Source: OECD Economic Outlook June 2023, IMF World Economic Outlook April 2023)

Indian Economy

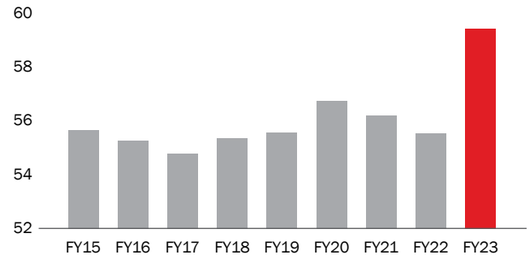
The economy witnessed a significant milestone in FY 2022-23 by becoming the world's fifth-largest economy. Despite a globally uncertain economic environment, the Indian economy exceeded expectations by achieving a growth rate of 7.2%, surpassing the RBI's initial projection of 7.0%. India witnessed a K-shaped recovery in the aftermath of the pandemic, leading to a divergent impact on different industries. Sectors such as travel and hospitality, and luxury segments, have experienced a significant rebound, benefiting from the recovery, while other sectors continue to face challenges.

In contrast to other economies, India's growth was not solely reliant on fiscal stimulus measures but rather driven by stronger-than-expected private consumption, a revival in business sentiment, and structural interventions implemented by the Government of India. The resurgence in consumption was fueled by the release of pent-up demand, a phenomenon observed worldwide. This trend was evident not only in the housing market but also in the construction sector, which experienced noteworthy growth during FY 2022-23. The substantial increase in the central government's capital expenditure (Capex) played a significant role in stimulating this expansion.



Revival of Private Consumption

(% of GDP)



Source: NSO, MoSPI

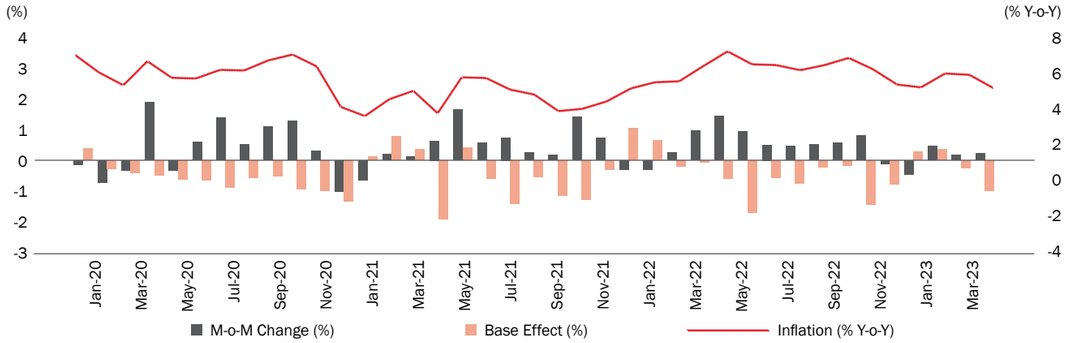
Management Discussion & Analysis

Headline Inflation

The average headline inflation for FY 2022-23 was recorded at 6.7%, primarily driven by elevated commodity prices and unfavourable weather conditions. However, following its peak in April 2022, inflation has shown a downward trend, thanks to improvements in supply chain conditions and the strategic and nimble approach adopted by the RBI. It is noteworthy that the RBI effectively tackled inflation by implementing a series of repo rate hikes totalling 250 basis points from May 2022.

However, rural India had to bear the brunt of inflation more than urban India, the first time in six years. While overall inflation averaged 6.7%, prices in rural India increased by 6.8% from the previous year. In addition to this, food and clothing inflation was higher in rural areas, whereas urban areas witnessed higher inflation in the services sector.

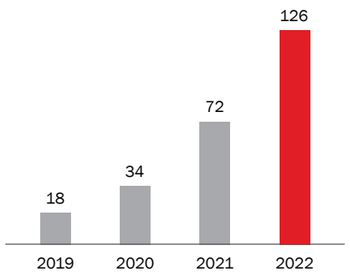
Movements in Headline Inflation



Note: April and May 2020 data were imputed by the NSO.
Source: NSO and RBI staff estimates.

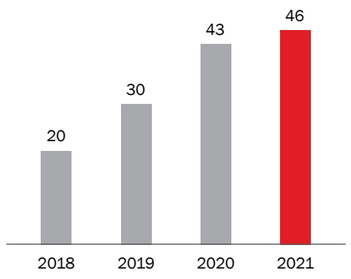
Reasons for Optimism

UPI Transactions (₹ Lakh Crore)



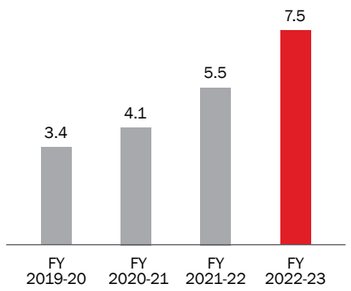
Source: Government of India

Individuals Using the Internet (%)



Source: World Bank

Government Capex (₹ Lakh Crore)

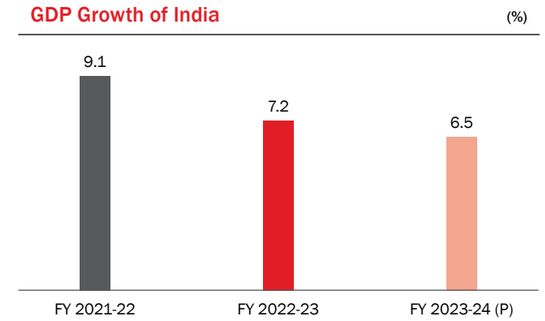


Source: Government of India

Outlook

India's growth narrative continues to demonstrate a solid foundation, driven by strategic measures implemented by the government and a relatively lower reliance on foreign demand. The government's capital expenditure (Capex), which accounts for 3.3% of GDP, is expected to stimulate private investments and generate a multiplier effect, leading to increased output. The robust financial positions of Indian corporations and banks further contribute to this positive momentum, bolstering private investments. These favourable conditions, along with other factors, are projected to contribute to a real GDP growth rate of 6.5% in FY 2023-24. Moreover, the government remains committed to bridging the infrastructure gap and promoting investments and technologies aligned with India's net-zero target for 2070. The risks associated with inflation have moderated due to the decline in global commodity and food prices. The cumulative increase of 250 basis points in the policy repo rate, a stable exchange rate, and a normal monsoon is expected to steer the inflation trajectory downwards, with a projected rate of 5.2% in FY 2023-24 compared to the average of 6.7% witnessed in FY 2022-23.

GDP Growth of India (%)



(P = Projected)



Management Discussion & Analysis

Industry Overview



Indian Retail Sector Overview

The retail sector in India is experiencing a significant growth trajectory, with projections indicating its size to reach USD 1.1 trillion by 2027 and USD 2 trillion by 2032. Currently, India stands as the world's fourth-largest retail destination, coupled with the second-largest internet market boasting a user base of 780 million. The retail market size was pegged to be valued at ~USD 740-760 billion in 2022, showcasing an increase of 2% in the share of e-commerce channels, compared to the previous three years.

India offers an attractive investment climate in the retail space, primarily driven by its vast population, a burgeoning middle-income class comprising approximately >158 million households, rapid urbanisation, connectivity to rural consumers, and a rise in discretionary spending. Currently, the retail sector accounts for over 10% of India's GDP and employs approximately 8% of the workforce. Projections suggest that by 2030, the sector will generate around 25 million new jobs.

Over the past two decades, there has been a notable increase in organised retail within India, resulting in a transformation of the shopping experience and a significant impact on the commercial real estate industry. The shifting demographics of India play a crucial role in fuelling the growth of organised retail. Capitalising on this trend, organised retail entities entice customers by providing an extensive array of products and services, personalised shopping experiences, and cutting-edge facilities.

In the last 1-2 years, while the overall Indian retail market has become more attractive, along with conversion of un-organised retail to organized formats, the Inflationary impact on both on the demand side (consumers disposable income) as well as on the supply side (manufacturing and raw material costs) has kept the growth under check, especially for the rural and semi-urban retail segments.

10%
Contribution to India's GDP

8%
Share in India's total employment

12%
Share of organised retail in the total retail market

(Source: Invest India)

Online Retail Sector

The online retail market in the country is projected to experience healthy growth in the coming years, reaching a size of USD 325 billion by 2030, compared to USD 70 billion in 2022. This substantial expansion is primarily attributed to the rapid growth of e-commerce in Tier-2 and Tier-3 cities. The online retail penetration is expected to witness an extraordinary rate of growth, surpassing offline retail by 2.5x over the next decade.

Notably, Tier-2 and Tier-3 cities have emerged as key drivers of this growth, surpassing Tier-1 markets in terms of total orders. In 2022, these cities accounted for more than 60% of all orders, with tier-3 cities experiencing an impressive 65% growth in order volume and Tier-2 cities witnessing a substantial 50% growth. The surge in online retail can be attributed to various factors. The convenience of ordering and returns, supported by a logistics infrastructure covering over 19,000 pin codes, has played a pivotal role in driving the adoption of online shopping.

Furthermore, online sales are on track to surpass organised retail, with an increasing focus on omni-channel retail strategies. Retailers are seamlessly integrating their offline and online channels to provide consumers with a seamless shopping experience, leveraging the advantages of both platforms. (Source: Deloitte India Report)

E-commerce Boom

The Indian e-commerce market was pegged to be valued at USD 83 billion in 2022 and is projected to reach a market size of USD 150 billion by 2026. Factors such as increased smartphone penetration, rising affluence, and low data prices drive e-commerce expansion. India is the second-largest internet market globally, with over 907 million users.

E-commerce adoption extends to nearly 100% of pin codes, and more than 60% of transactions come from tier-II cities and smaller towns. Electronics and apparel dominate the market, accounting for 70% of the transaction value. ONDC, launched by the Government of India, promotes equal opportunities for MSMEs in digital commerce. In 2022, Indian e-commerce and consumer internet companies raised USD 15.4 billion in PE/VC funding, doubling the amount from 2020. (Source: Invest India)



Indian Fashion Industry

The fashion industry in India comprises various segments, such as apparel, footwear, accessories, jewellery, and cosmetics. Among these, apparel is the largest segment, accounting for about 58% of the total market value in 2022.

Textile and apparel industry

The Indian textile and apparel industry is a major player in the global market, displaying growth and immense potential. With a market size of USD 172 billion in 2022, it has become a cornerstone of India's economy. Experts predict remarkable growth, estimating the market to reach USD 387 billion by 2028, with a notable compound annual growth rate (CAGR) of 14.6% from 2023 to 2028. Several factors contribute to the industry's success. Firstly, there is increasing demand for premium quality clothing and footwear among affluent Indian consumers, leading to higher production and consumption of high-end fashion products. The government has implemented schemes empowering weavers, supporting their livelihoods with financial aid, training, and technology access.

The Indian textile and apparel industry offers significant potential for both domestic and international players. With a large population and rising middle class, the domestic market presents vast opportunities. The industry has also gained global recognition, with Indian textiles and garments exported to various countries. Skilled craftsmanship, diverse product offerings, and competitive pricing have positioned India as a preferred sourcing destination for international brands and retailers. Although, apparel prices have gone up significantly due to high inflation, especially cotton yarn prices, which have doubled in the last two years. This has made it harder for lower/middle-income customers who were already struggling with the rising food and staples costs. As a result, they have marginally reduced their spending on apparel. This trend is likely to gradually correct itself in the next 1-2 years, as inflationary pressures start subsiding. (Source: IMARC)

Footwear Industry

The footwear segment Is the second largest segment in the Indian fashion industry, accounting for about 22% of the total market value in 2022. The footwear market value in India was pegged at USD 22.5 billion in 2022, growing at a CAGR of 14% from 2017 to 2022. The segment in India is dominated by casual footwear, which accounts for 67% of the total market

Management Discussion & Analysis

share, followed by sports footwear (18%) and formal footwear (15%). It is also highly fragmented, with many local and regional players. However, the organised sector is witnessing rapid growth, as more consumers are seeking branded and fashionable products. The organised sector grew at a CAGR of 20% between 2017 to 2022, while the unorganised sector grew at a CAGR of 9% during the same period.



Accessories Industry

The accessories segment is the third largest segment in the Indian fashion industry, accounting for about 12% of the total market value in 2022. The accessories market in India reached a value of USD 12.3 billion in 2022, growing at a CAGR of 16% from 2017 to 2022. The accessories market in India includes various products, such as bags, belts, wallets, watches, sunglasses, hats, scarves, and jewellery. Among these, jewellery is the most popular product category, accounting for about 40% of the total market share. The jewellery market in India is mainly driven by the high demand for gold and diamond jewellery, especially during festivals and weddings. However, other types of jewellery, such as silver, platinum, and imitation jewellery are also gaining popularity among consumers.

The accessories market in India is also highly fragmented, with many small-scale manufacturers and retailers. However, the organised sector is growing rapidly as more consumers are looking for branded and quality products. The organised sector is expected to grow at a CAGR of 22% from 2017 to 2022 while the unorganised sector is expected to grow at a CAGR of 11% in the same period[1].

[1] https://www.statista.com/topics/5026/apparel-market-in-india/



Key Trends Shaping the Industry

Sustainability

As consumers become more aware of the environmental and social impact of their purchases, retailers will have to adopt more sustainable practices and products. This could include using organic or recycled materials, reducing packaging waste, offering repair or rental services, and supporting local communities and artisans.

Diversity on the Runway

Diversity and inclusion will be key drivers of fashion trends in the next two years, as retailers cater to the needs and preferences of different segments of customers. This could involve offering more sizes, styles, colours, and customisation options, as well as featuring more diverse models and influencers in their marketing campaigns.

Focus on Customer Privacy and Data Protection

With growing concerns about data security, fashion brands are placing increased emphasis on protecting customer privacy. They are implementing robust measures to safeguard personal information, ensuring transparency in data usage, and complying with relevant regulations to build trust with their customers.

Flexible Payment Options

To enhance customer convenience, fashion retailers are offering flexible payment options. They are adopting digital payment solutions, instalment plans, and cash-on-delivery services to cater to a diverse range of customers and accommodate their preferred payment methods.

Rise in Private Labels

Fashion brands are increasingly investing in private label offerings to differentiate themselves in the market. By developing exclusive and unique products under their own brand, they can capture customer loyalty and offer distinctive value propositions that set them apart from competitors.

The New Way of Shopping

The integration of online and offline channels has become crucial in the fashion industry. Brands are adopting omnichannel strategies, allowing customers to seamlessly switch between online and physical stores. Additionally, the rise of hybrid shopping experiences, such as click-and-collect or try-and-buy services, provides customers with flexibility and convenience.

Round-the-clock Customer Support

Fashion brands are recognising the importance of providing exceptional customer support. They are extending their customer service hours, offering multiple communication channels, and leveraging technology like chatbots and AI-powered assistance to ensure round-the-clock support for queries, concerns, and assistance.

Technology at the Forefront

Technology plays a pivotal role in the fashion industry. Brands are leveraging advanced technologies like artificial intelligence, virtual reality, and augmented reality to enhance the shopping experience, enable virtual try-ons, personalised recommendations, streamline inventory management, and optimise supply chain operations.

Ready, Set, Wear!

The demand for readymade clothing will continue to grow, as consumers seek convenience, comfort, and ease of shopping. Retailers will have to offer a wide range of readymade garments that fit well, look good, and are durable. They will also have to leverage technology to provide online fitting, personalisation, and delivery services.

The Rise of the Fashionistas

The fashion industry has witnessed an unprecedented surge in competition in smaller towns and rural areas. As consumers in these regions gain access to the internet and e-commerce platforms, fashion brands are vying to capture their attention and cater to their evolving preferences.

Management Discussion & Analysis

Opportunities

Fashion on the Upswing:
Consumers Are Hungry for More

After a period of lockdowns and restrictions, consumers are eager to get value for their money and refresh their wardrobes and express their individuality through fashion. Bright colours, metallics, bold florals, and vintage styles are some of the popular choices for spring/summer 2023. Fashion brands need to cater to this demand while also ensuring quality and durability.

Riding the Wave:
How E-commerce is Revolutionising the Retail Industry

Online shopping has become the norm for many consumers, especially among younger generations who are influenced by social media stars.
E-commerce platforms offer convenience, variety, and personalisation, as well as access to niche segments and emerging markets. Fashion brands need to optimise their digital presence and customer experience, as well as leverage data analytics and AI for pricing and inventory management.

The Power of Social Media Influencers:
Accelerating the Popularity of Online Shopping

Social media influencers have a huge impact on consumer behaviour and preferences, especially in the fashion industry. They can create buzz, drive traffic, generate sales, and build loyalty for fashion brands. Fashion brands need to collaborate with influencers who share their vision and values, and who can reach their target audience effectively.

Sustainability in Fashion:
Meeting the Increasing Demand for Ethical Clothing

Consumers are increasingly conscious of the environmental and social implications of their fashion preferences and are seeking out brands that share their values. Sustainability and ethics are no longer optional but essential for fashion brands to survive and thrive in 2023. Slow fashion, organic textiles, fair trade, circular economy, and transparency are key concepts that fashion brands need to embrace and communicate.

Beyond Fashion:
Diversifying Product Offerings and Targeting New Customer Segments

Fashion brands must diversify their product offerings and target new customer segments to stay competitive and relevant in 2023. This may include expanding into categories such as beauty, wellness, lifestyle, or entertainment or catering to specific needs such as plus-size, adaptive, or gender-neutral clothing. Fashion brands must understand their customers' needs and preferences, and offer them solutions that enhance their lives.



Key Challenges

Escalating input costs:
The Challenge of Cost Management

Retailers face the challenge of managing costs in a competitive and dynamic environment, especially cotton yarn prices, which are still ~50-80% higher than the pre-COVID prices. Escalating input costs can erode their margins and affect their pricing strategies. Retailers need to optimise their sourcing, procurement, and production processes to reduce their input costs and improve their efficiency.

Inflationary Pressures:
Navigating Economic Headwinds

Inflation continues to threaten the growth and stability of the retail sector. Inflationary pressures can reduce the purchasing power of customers, increase the operating costs of retailers, and create uncertainties in the market. Retailers need to navigate the economic headwinds by adjusting their pricing, marketing, and financial strategies to maintain their competitiveness and profitability.

Digital Disruption:
The Future of Retail Transformation

Digital transformation poses significant challenges for retail players as it revolutionises the industry with both opportunities and hurdles. While digital technologies offer the potential to enhance the customer experience, streamline operations, and drive innovative business models, retailers must confront the complexities of navigating this digital disruption. Embracing the transformation requires adopting digital tools, platforms, and solutions to stay competitive and meet the ever-changing demands of customers.

Disrupted Logistics:
Impact of Supply Chain Disruptions

Supply chain disruptions can have a significant impact on the performance and profitability of retailers. Disrupted logistics can lead to delays, shortages, inventory imbalances, and increased costs. Retailers need to adopt resilient and flexible supply chain strategies to cope with the uncertainties and challenges of the global market.

Geopolitical Instability:
Risk Management in a Volatile World

The retail sector is exposed to geopolitical risks that can affect its operations and performance. Geopolitical instability can create disruptions, conflicts, sanctions, trade wars, and regulatory changes that can hamper global trade and commerce. Retailers need to manage their geopolitical risks by diversifying their markets, suppliers, and partners and by complying with local laws and regulations.

Keeping Pace with Fashion:
The Need for Agility

Fashion trends change rapidly and unpredictably, requiring retailers to keep pace with the changing preferences and demands of customers. Keeping pace with fashion means being able to anticipate, respond, and adapt to market trends quickly and effectively. Retailers must adopt agile and customer-centric approaches to design, develop, and deliver their products and services.

Energy Woes:
Coping with Power Shortages

Energy is a vital resource for the retail sector, as it powers stores, warehouses, transportation, and online platforms. Energy woes can result from power shortages, blackouts, price fluctuations, or environmental concerns. Retailers must cope with the energy woes by adopting energy-efficient practices, investing in renewable sources, and leveraging digital technologies.

Management Discussion & Analysis

Company Overview



About V-Mart

Company Brief

V-Mart is a pioneer in organised value fashion retailing, serving millions of customers since 2002. More than just an omni-retail store chain, it is a lifestyle brand that offers fashion apparel, footwear, home furnishings, and general merchandise for the whole family at unbeatable prices.

The Company has a strong presence with 423 stores across 258 cities in 26 states, with an average store size of 8,000 sq. ft. It caters to the growing aspirations of the middle class in Tier II and III cities, who want affordable and high-quality fashion in a modern and comfortable ambience. It follows the concept of 'value retailing' by fulfilling the growing aspiration of the rapidly-expanding middle class for affordable, high-quality fashion. In the apparel segment, the Company focuses on ethnic, fusion, and western wear for women; formal, sports, and casual wear for men; and kids' wear in various colours and designs. In addition to apparel, the Company offers bags, toys, footwear, crockery, and utensils. FMCG products include packaged food, staples and non-food products.

The Company acquired 74 Unlimited stores from Arvind Lifestyle in FY 2021-22. As a result of its concerted efforts, the Unlimited business witnessed a turnaround. ~80% of its stores were EBITDA positive, even with 20% - 25% lower sales per square foot. This strong growth over the past 1.5 years due to controlled expenditures and marginal improvements in sales per square foot. The Company will continue to place greater emphasis on enhancing sales productivity, which is expected to further enhance returns.

During the year, the Company acquired LimeRoad, a discovery marketplace focused on providing fresh and value-driven options to aspirational Indian consumers. The integration with LimeRoad presents a strategic opportunity to deliver enhanced value and fashion options to a large digital customer base in India. The Company will combine its core capabilities with LimeRoad's community and editorially driven fashion quotient, ability to spot emerging trends first, logistics efficiency, technology and data to transform the way latest trends are delivered to aspirational consumers across all forms of retail. The Company is serving its digital-first customers through its direct-to-customer (D2C) omnichannel platforms 'vmartretail.com' and 'limeroad.com' apart from being available on all leading marketplaces. As a 20-year-old listed entity with strong fundamentals, it has always focused on prudence and consistently delivered shareholder returns.

The Company has the trust and confidence of over 33 million customers and delivers and serves the best fashion, comfort and quality, product category and price point from an extensive network of fashion stores.

In lieu of the emerging demands and recovering industry, the Company has been placing greater emphasis on scaling its own abilities to position itself favourably to capitalise on opportunities over the foreseeable future and deliver sustainable value to all stakeholders involved.



V-Mart was honoured with the Golden Peacock Award and received a certificate of Appreciation in the Mid Cap category – ICSI National Awards for Excellence in Corporate Governance.

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.

- Recorded our highest-ever sales of ₹ 2,46,480 lakhs, a 48% increase over FY 2021-22
- EBITDA for FY 2022-23 increased 31.60% to ₹ 26,891 lakhs from ₹ 20,433 lakhs in FY 2021-22
- Profit /(Loss) After Tax stood at ₹ (785) lakhs in FY 2022-23 as compared to Profit After Tax of ₹ 1,164 lakhs in FY 2021-22
- RoCE remained flattish at 4.9% compared to 5.0% in FY 2021-22
- Borrowing increased to ₹ 14,783 Lakhs

Read more on Page 52

The Company achieved its highest-ever sales this year, with ₹ 2,46,484 lakhs, marking a significant 48% increase over the previous year. EBITDA also experienced robust growth, reaching ₹ 26,891 lakhs, reflecting a remarkable 32% increase over the previous year. In the first full year of its operations, the Unlimited business was able to record a turnaround and ~80% of its store are now EBITDA positive.

The Company recorded a loss of ₹ 785 lakhs owing to LimeRoad EBIDTA loss of ₹ 4,410 lakhs. This was a strategic investment that would enable the Company to expand its digital footprint and customer base over the foreseeable future.

During the year, the Company's expenses rose by approximately 49% to ₹ 2,49,282 Lakhs. This increase can be attributed to the addition of 59 new stores during the year, the impact of the LimeRoad business integration and its focused efforts on expanding its online presence. Its investments primarily focused on crucial areas such as marketing, technology, delivery, and fulfilment to support the growth of its online business, encompassing both V-Mart and LimeRoad.

Working Capital Management

During the year, the Company opened added a total of 59 stores during the year, while simultaneously closing down 16 non-performing stores, thereby taking the total store count to 423 and the total retail area to 37 lakhs sq ft at the end of FY 2022-23.

- Current assets as on March 31, 2023, stood at ₹ 1,05,772 lakhs including an inventory of ₹ 87,063 lakhs, as compared to ₹ 89,835 lakhs including an inventory of ₹ 66,822 lakhs as on March 31, 2022
- Current liabilities stood at ₹ 77,327 lakhs as on March 31, 2023, as compared to ₹ 39,606 lakhs as on March 31, 2022
- Cash and cash equivalents stood at ₹ 1,806 lakhs as on March 31, 2023, as compared to ₹ 3,304 lakhs as on March 31, 2022
- RoCE remained flattish at 4.9% compared to 5.0% in FY 2021-22

Key Ratios

Key ratios	FY 2022-23	FY 2021-22
Inventory Sales Days	114	110
EBITDA Margin (%)	10.9	12.26
PAT Margin (%)	-0.3	0.70
RoCE (EBIT/Average capital employed) (%)	4.9	5.0
Debt Equity Ratio (including lease liability)	1.57	1.06
Inventory Turnover Ratio (COGS)	2.08	1.99
Return on Assets (%)	-0.29	0.55
Return on Equity (%)	-0.92	1.39
Current Ratio	1.37	2.27

Management Discussion & Analysis



The formulae used in the computation of the above ratios are as follows:

Key Ratios	Formula
Inventory Sales Days	(Average Inventory ÷ COGS) x 365
EBITDA Margin (%)	EBITDA/total revenue x 100
PAT Margin (%)	Net profit/total revenue x 100
RoCE (%)	EBIT/Capital Employed (Tangible Net Worth + Total Debt*- Intangible assets including Goodwill)
Debt Equity Ratio (including lease liability)	Total Debt (including lease liability)*/Shareholder's Equity #
Current Ratio	Current Assets/Current Liabilities
Inventory Turnover Ratio (COGS)	Cost of goods sold/Average Inventory
Return on Assets (%)	PAT/Total Assets
Return on Equity (%)	Net Profits after taxes – Preference dividend/Average Shareholder's Equity
Current Ratio	Current Assets/Current Liabilities

* Total Debt includes lease liability

Represents shareholder's fund

Details of Significant Changes* in the Key Financial Ratios:

- Current Ratio: -39.65% – Decrease due to an increase in the current liabilities in the current year on account of working capital loan.
- Debt Equity Ratio (in times): 47.71% – Lease liability has increased in the current year due to an increase in the number of stores.
- Inventory Turnover Ratio (COGS): 4.31% – NA
- Return on Equity: -73.83% – Decrease is on account of loss in the current year due to the integration with LimeRoad as compared to the previous year.

*Change of 25% or more as compared to the immediately previous financial year.

SCOT Analysis (Strengths, Challenges, Opportunities and Threats)

Strengths

- Affordable fashion offerings
- Expansion model centered on regional groupings in Tier-II and Tier-III towns and cities.
- Extensive presence with a large number of retail stores across India
- Diverse product portfolio across apparel, footwear, accessories, kirana and home furnishings
- Omni-channel presence and capabilities
- Building a Robust and Agile Supply Chain
- Strong understanding of semi-urban Bharat's tastes and preferences
- Strong digital analytics led supply chain systems
- With Prudence as a core value, operating costs lowest in the industry

Challenges

- Highly competitive offline and online market
- Continuous improvements required in supply chain & store operations to provide competitive offerings to customers
- Working capital allocation and cash burn on digital channels
- Constantly changing consumer preferences and the need to be updated with these

Opportunities

- Growing middle-class population and rising aspirations and disposable incomes
- Leveraging market place opportunities
- Expansion in untapped regions, especially in Tier III and IV cities
- Developing and promoting private-label brands
- Scope of growth in core geographic clusters
- Leveraging Unlimited brand to grow in Southern and Western India
- Utlising fashion trend data analytics from Limeroad
- Extending customer life cycle and buying options through Limeroad convergence with in-store experience
- Offering Offline shopping/trial/return options to online Limeroad customers, increasing Trust quotient
- Leveraging large and diverse vendor base of LimeRoad for offline buying, and vice versa

Threats

- Rapid growth of e-commerce with changes in customer preferences has increased competition for brick-and-mortar retailers
- Economic factors such as inflation, changes in disposable income, and fluctuations in consumer spending patterns
- Increased cost due to external factors and limited ability to pass on the incidence to the customers
- Growing competitive intensity from both online and physical players, especially in our key markets
- Increasing compliance requirements with the changing government regulations, tax policies, and labour laws
- An economic downturn could have a direct impact on the retail industry



Management Discussion & Analysis



Human Resource Development

The Company regards human capital as the pivotal determinant of business continuity. It endeavours to achieve a harmonious equilibrium between personal advancement and professional enrichment and progression by furnishing a secure, facilitative, and prolific work milieu. The HR department has focused on several key areas to support the organisation's goals. They have prioritised workforce planning and analytics to identify skills gaps, predict talent needs, and implement strategies for attracting and retaining high-performing employees. Clear expectations have been set for employees to create a sense of purpose and ownership, and efforts have been made to enhance the employee experience by fostering an inclusive culture, providing career growth opportunities, and ensuring employees feel valued. Digital transformation has been embraced to streamline HR processes and provide convenient access to resources, while diversity, equity, and inclusion initiatives have been implemented to promote equal opportunities. Employee well-being, both physical and mental, has been prioritised through resources and support for stress management, work-life balance, and mental health.

In terms of training and development, various programmes have been implemented to support employees at all levels. Retail excellence training focuses on customer service and sales techniques, management development programmes target middle-level managers for skills development, and leadership training programmes provide support to senior leaders through coaching and education. Technical training programmes are also offered to enhance expertise in specific areas such as merchandising and supply chain management.

To attract and retain highly skilled employees, the Company has implemented a robust rewards and remuneration system. This includes competitive base salaries, performance-based incentives to motivate employees, employee stock options as long-term compensation, and health and welfare benefits such as medical and life insurance. Recognition and awards programmes have also been launched to acknowledge outstanding employee performance.



The Company was awarded the certification of 'Great Place to Work' in 2022

The Company strives to retain its high performers and overall attrition. The Company remains committed to safeguarding the privacy and personal dignity of every employee. It had a total of 9,333 permanent employees as on March 31, 2023.

Read more on Page 72

Internal Control

The Company has adopted the Three Lines Model, which has positively transformed our reporting process. The model integrates strategic, operational, and compliance functions, allowing us to assess, monitor, and mitigate risks timely. By consolidating information from various levels of management, operational teams, and internal auditors, we have achieved improved transparency, accountability, and decision-making capabilities. This implementation has played a significant role in supporting our continued growth and resilience in a dynamic business landscape.

The Company has implemented a comprehensive internal control framework tailored to the scale and intricacy of its operations. This framework serves multiple purposes, including safeguarding assets and infrastructure, ensuring optimal operational efficiency, and maximising resource utilisation. Additionally, it encompasses robust financial management practices, strict compliance with all relevant laws and regulations, and a commitment to enhancing transparency in financial reporting. The internal control framework also facilitates adherence to operating systems and internal policies while identifying opportunities for system and process improvements. Efficient and periodic reporting to management facilitates timely decision-making based on accurate and reliable information.

The Company regularly reviews and tests internal controls across all functions and areas of the business. Integrated ERP Systems are in place for efficient business control and financial reporting, with clear division of duties and approval mechanisms. Elaborate Standard Operating Procedures and controls are utilised to maintain records, monitor operations, and ensure compliance. Senior management sets a tone of zero tolerance for non-compliance and fosters a culture of continuous innovation and improvement. The Company strives to minimise repetition or compounding of errors and conducts business ethically and responsibly. Periodic knowledge sharing, training sessions, and e-learning courses are implemented to promote awareness of the Code of Conduct and key policies.

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 engaged KPMG as its Internal Auditor. The Audit Committee approves the Internal Audit plan annually, focusing on reviewing processes, controls, and risks in business operations. The Internal Auditors conduct regular audits and submit their findings to the Audit Committee, which is responsible for reviewing and implementing the audit recommendations. The Board considers the auditor reports as an independent verification of the information provided by management on business performance.

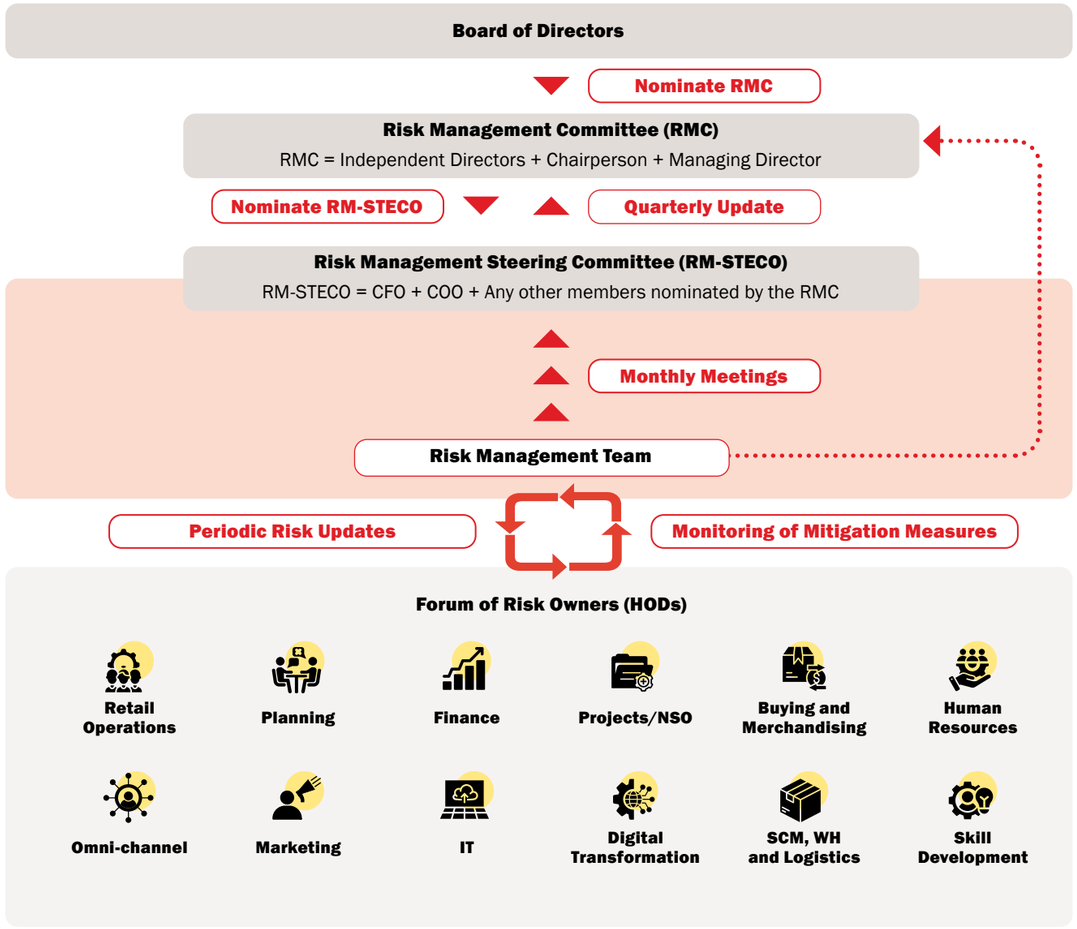
The Company has successfully implemented an integrated Governance, Risk & Compliance solution, which has significantly transformed our compliance management processes. It encompasses tracking of applicable regulatory compliances, automating HR compliances and Company Secretarial processes, streamlining Contract Lifecycle Management, Digitising & Automating Litigation Management, Managing Internal Process & Audit Reviews and automating Control Self-Assessment processes under Internal Financial Controls Framework. It has helped us to proactively monitor, assess, and address compliance risks, ensuring adherence to regulatory standards and promoting a culture of compliance within our operations.

The Company conducted a thorough assessment of its internal financial controls for the year, in accordance with the essential components outlined in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. Furthermore, in compliance with the Companies Act 2013, the Company has documented and tested all key internal controls pertaining to both financial reporting and operational controls.

Management Discussion & Analysis

Enterprise Risk Management

The Company has implemented an integrated Risk Management framework that incorporates principles from COSO's Enterprise Risk Management, ISO 31000, and mandatory reporting requirements under the Companies Act and SEBI regulations. This framework is closely aligned with strategic objectives and addresses various risks across financial, operational, strategic, compliance, and reputational aspects of the business. The Company is dedicated to enhancing its Risk and Governance framework continuously to fulfil its vision of becoming a prominent value retailer in Bharat. The Board of Directors lead and govern this risk management framework, which is well-integrated with business functions and utilises a combination of top-down and bottom-up approaches.



The Company's ERM framework consists of the following elements:

Risk Governance

The Company has established a clear and robust governance structure for risk management, stated in the Enterprise Risk Management Policy, with defined roles and responsibilities of the board of directors, the audit committee, the risk management committee, the senior management, and the risk owners. The Risk Management Committee is led by an Independent Director.

Risk Identification

The risk owners, with support from the risk and governance team identify and categorise the applicable risks based on their sources, impacts, and likelihoods. The risk identification process is conducted periodically and systematically across all functions and levels of the organisation.

Risk Assessment

The Company assesses its risks using both qualitative and quantitative methods, such as risk matrices, scoring models, scenario analysis, and sensitivity analysis. The risk assessment process considers both internal and external factors that may influence risk exposure and outcomes.

Risk Response

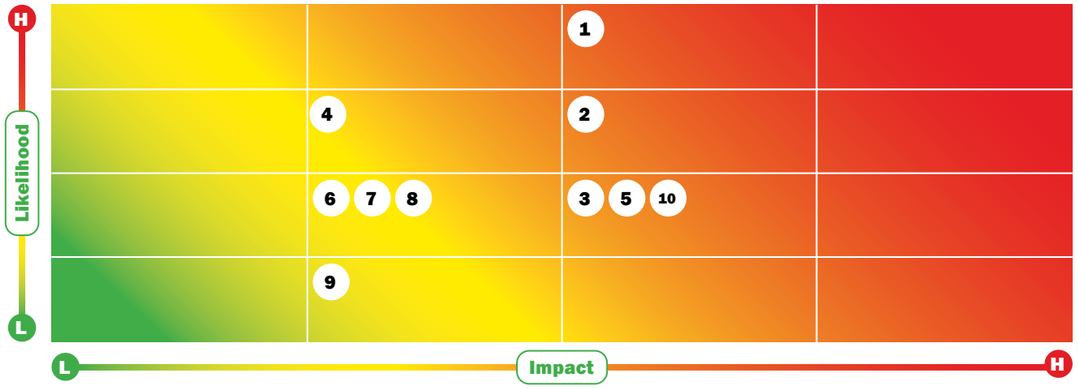
The respective risk owners, develop and implement appropriate risk responses to mitigate, transfer, avoid, or accept its risks. The risk responses are aligned with organisational risk appetite and tolerance levels. The Company's risk appetite statement aligns with its long-range objectives and acceptable risk levels, and operates within a moderate overall risk range, with:

- lower risk appetite for reporting, safety, and compliance objectives,
- slightly higher risk appetite for operations objectives,
- variable tolerance for strategic and financial reporting objectives.

Risk Monitoring and Reporting

The Risk Management Team monitors the risks and reports risks, performance and status of mitigation measures on a regular basis to the Board of Directors, the Audit Committee, the Risk Management Committee, and other relevant stakeholders. The risk monitoring and reporting process includes the contemporary risk that affected/may affect the Company, along with the key risk indicators (KRIs), risk dashboards and scorecards.

Identified Risk and Mitigation Measures



1	Intensifying Competition (O)	6	Social Media, Brand and Reputation (S)
2	Changes in Consumer Preferences (S)	7	Supply Chain Disruptions (O)
3	Information and Cyber Security (G) (S)	8	Liquidity and Cash Conversion (O)
4	Dynamic Legal and Regulatory Requirements (G)	9	ESG Risk (E) (S) (G)
5	Talent Management (S)	10	Natural Disasters and Catastrophes (E) (S)

(E) Environment (S) Social (G) Governance (O) Others

Management Discussion & Analysis

E Environment S Social G Governance O Governance ▲ Increasing ▼ Decreasing ◆ No change

Intensifying Competition O

▲ Risk Movement

Description

The retail industry in India is highly competitive and fragmented, with various players offering similar products and services at different prices and formats. Our company faces competition from both organised and unorganised retailers, as well as e-commerce platforms. Additionally, the attractive growth prospects of our key markets may attract further competition, challenging our market pre-eminence in value fashion retail. Increased penetration by local and national retail players, wholesalers, and e-commerce competitors, along with evolving customer preferences towards online channels, can impact our aspirations to grow as an 'omni-channel retailer for Bharat'. Disruptions in online business models also pose potential challenges.

Mitigation Measures

- We have conducted a thorough review and revision of our competition combat strategy, focusing on product and quality leadership, aggressive entry price points, and a proven track record of success in cluster-based expansion strategy.
- Furthermore, with the integration of the acquired marketplace "LimeRoad", we are significantly expanding our fashion offerings and driving growth through omni-channel channels.
- Our core and sustainable business model remains resilient, enabling us to stay relevant and competitive amidst increasing challenges.
- By conducting customer studies, undertaking strategic projects, redesigning our brand, and focusing on specific categories, we are actively contributing to our growth.
- Moreover, we are harnessing the power of digital transformation to target relevant markets, monitor competition, engage with customers, and build long-term relationships to address their current and future needs.

Changes in Consumer Preferences S

▲ Risk Movement

Description

The reduction in disposable income and increased product prices due to inflation can negatively impact discretionary shopping. Changes in the global and geopolitical environment may lead to rapid inflation, constrained global supply chains, and increased cost pressures, potentially lowering consumer interest in visiting retail stores and impacting spending priorities. Weak demand persists across most segments in the apparel retail industry, resulting in lacklustre same-store sales growth (SSSG).

Mitigation Measures

- Currently, we are focused on enhancing our supplier relationships and optimising our supply chain to achieve cost reduction and capitalise on emerging opportunities.
- To mitigate the impact of rising costs on consumers, we are carefully refining our price points across our product range.
- Informed by comprehensive market and customer research, we are making adjustments to our product assortments to align with customer preferences and behaviours.
- We are actively implementing cost optimisation measures and exploring digital channels to strengthen our customer value proposition.

Information and Cybersecurity G S

▲ Risk Movement

Description

With the growing dependence on next-generation technology and technology-driven models, the risk of cyber threats, vulnerabilities, and external attacks has experienced a notable increase.

Concerns such as unauthorised access, privacy breaches, data leakage, and potential operational disruptions have become significant, leading to the potential loss of sensitive information and severe disruptions to business operations.

There is a possibility of malicious attempts by hackers to breach the security of IT systems and networks, resulting in data theft or manipulation, operational disruptions, and potential reputational harm.

Mitigation Measures

- A comprehensive cybersecurity framework has been established, incorporating strong firewall and threat monitoring systems.
- To enhance protection, antivirus and Intrusion Detection Systems (IDS) and Intrusion Prevention Systems (IPS) have been implemented.
- Security management systems, processes, and controls are in place to ensure the security of data.
- Efforts are underway to implement a 'zero-trust' approach for heightened security measures.
- Regular assessments and upgrades of the IT infrastructure are conducted to ensure business continuity and process resilience.
- Periodic reviews of processes and Vulnerability Assessment and Penetration Testing (VAPT) assessments are conducted to ensure adherence to procedures and identify vulnerabilities.

E Environment S Social G Governance O Governance ▲ Increasing ▼ Decreasing ◆ No change

Dynamic Legal and Regulatory Requirements G

◆ Risk Movement

Description

Failure to comply with evolving state laws and regulations can have severe consequences for businesses, including investigations, financial losses, penalties, lawsuits, and damage to reputation. The Indian retail industry operates within a complex legal landscape encompassing various aspects such as taxation, labor practices, consumer protection, environmental considerations, data privacy, and e-commerce. Any amendments or updates to these regulations can greatly influence the operations, financial stability, and compliance of companies, potentially resulting in legal ramifications and financial penalties. It is crucial for businesses in the retail sector to remain vigilant, adapt to regulatory changes, and prioritise strict adherence to ensure continued success and mitigate the risks associated with non-compliance.

Mitigation Measures

- At the forefront of our priorities is compliance, which we actively promote through centralised monitoring, legal assistance, and comprehensive employee training.
- We have implemented a robust Governance, Risk, and Compliance system that enables us to effectively monitor and ensure adherence to all relevant laws and regulations. This system encompasses rigorous monitoring processes that allow us to stay updated on regulatory changes and proactively address any compliance gaps.
- To foster a culture of seamless integration between operations and compliance, we have assembled a dedicated team of professionals. These experts stay well-informed about evolving regulations and facilitate regular training programmes for our employees. Through these initiatives, we aim to enhance awareness, knowledge, and understanding of compliance requirements, empowering our workforce to uphold the highest standards of compliance in their day-to-day activities.

Talent Management S

▲ Risk Movement

Description

The success of an organisation relies on having highly skilled and productive employees. The cost of human capital has significantly risen following the pandemic, as there is a high demand and competition for competent talent. Failing to retain, upskill, and attract the workforce needed for the future can hinder the achievement of strategic and operational goals.

Mitigation Measures

- We have implemented various strategies like attrition analysis, effective retention strategies, leadership succession pipeline, improved communication, and performance-linked Employee Stock Ownership Plan (ESOP) introduced.
- We prioritise benchmarking compensation for competitiveness and conduct alumni surveys for valuable feedback and insights.
- We have an employee-centric approach to create an environment focused on their needs and aspirations, with effective people management strategies for talent retention and improved employee experience.
- We place great emphasis on talent upskilling through tailored online learning and revamped training programmes, empowering employees to contribute effectively.

Social Media, Brand, and Reputation S

◆ Risk Movement

Description

In today's digital landscape, a strong social media presence is essential for businesses. Effective management of social media and online platforms is crucial to remain relevant to customers and maintain interactive communication. We prioritise efficient social media management to engage customers and protect our brand reputation, considering the potential for miscommunication in online interactions. Additionally, we acknowledge the impact of negative communication and the growing demand for affordable products through e-commerce platforms.

Mitigation Measures

- We have implemented a crisis communication strategy and established a centralised team to effectively manage social media, engage with customers, and enhance the overall customer experience.
- We have conducted training programmes to facilitate our employees to be well-informed about our social media policies and actively participate in customer engagement on various social media platforms.

Management Discussion & Analysis

E Environment S Social G Governance O Governance ▲ Increasing ▼ Decreasing ◆ No change

Supply Chain Disruptions — O

◆ Risk Movement

Description

Situations such as strikes, lockdowns, transport delays, raw material shortages, etc. can hamper the availability and quality of the products that Company sources from its vendors and suppliers.

Mitigation Measures

- We have prescribed Supplier Conduct Principles to be abided by the value chain partners encompassing ethical business practices, fair treatment of workers, responsible sourcing, environmental sustainability, and adherence to applicable laws and regulations.
- The risk in our vendor supply chain is partially mitigated due to our extensive vendor base.

Liquidity and Cash Conversion — O

▲ Risk Movement

Description

In a volatile economic environment, maintaining healthy cash reserves and creditworthiness becomes crucial due to potential adverse implications and increased cash outflows associated with working capital management. External factors like a pandemic can weaken consumer sentiment, leading to a significant impact on cash generation. Therefore, it is vital to prioritise the maintenance of sufficient cash reserves. Additionally, increased costs, inflation, and competition may result in reduced profitability and less cash generation, particularly when constantly expanding the business and funding cash-intensive digital initiatives.

Mitigation Measures

- We prioritise maintaining a strong financial standing by upholding our creditworthiness and consistently receiving positive outlook ratings.
- To ensure financial stability, we focus on implementing cash conservation strategies and proactively reducing costs.
- We maintain optimal levels of inventory and cash reserves, prioritising liquidity and facilitating smooth cash conversion.
- Our financial policies adhere to prudence, including the maintenance of adequate cash reserves to meet operational expenses, debt obligations, and capital expenditures.
- Continuously optimising our Capital Expenditure (Capex) plan and strengthening procurement governance, we closely monitor cash flows to sustain a robust financial position.

Natural Catastrophes — E S

◆ Risk Movement

Description

There has been a global rise in the occurrence of natural disasters, including floods, earthquakes, cyclones, fires, and more. These events have the potential to cause significant damage to physical infrastructure and inventory, disrupt supply chains and logistics, and pose risks to the safety and well-being of our stakeholders.

Mitigation Measures

- We have implemented Business Continuity Planning and Disaster Recovery policies to ensure preparedness in the face of emergencies. Additionally, we have established protocols for emergency communication and handling to effectively respond to unforeseen events.
- To prioritise the safety of our customers and employees, we have implemented programmes that focus on creating a secure environment in our stores and workplaces. These measures are designed to provide a safe place for both shopping and work, promoting the well-being of all stakeholders.

E Environment S Social G Governance O Governance ▲ Increasing ▼ Decreasing ◆ No change

Environment, Social, and Governance — E S G

▲ Risk Movement

Description

There is a growing need for companies to adopt a holistic approach to ESG, incorporating sustainability, social responsibility, governance, and compliance into all aspects of their operations. While your company is committed to this goal, there are some challenges that need to be addressed.

There is a risk of assessment, transition, and implementation errors across all processes, including those involving your value chain partners.

The proliferation of ESG frameworks and the lack of sector-specific disclosure and reporting mechanisms can add to the complexity of this task.

ESG Risks are detailed in the Business Responsibility & Sustainability (BRSR) Reporting Section.

Mitigation Measures

- We integrate sustainability and business strategies through mandatory Business Responsibility & Sustainability Reporting (BRSR).
- Cross-functional teams spearhead ESG initiatives, align governance structures, take ownership of risks, comply with reporting obligations, and monitor sustainability key performance indicators.
- Our commitment to exceptional ESG standards is demonstrated through carbon footprint reduction, fair wages, working conditions, and community support.

The Company has launched an online ESG profile on www.vmart.co.in platform, which is a public, consolidated, and searchable profile on the Company's website, that summarises the Company's approach towards sustainability and provides insightful and easily accessible information on the impact of the 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.

Cautionary Statement

This Management Discussion and Analysis (MD&A) contains forward-looking statements that are subject to inherent risks and uncertainties, which could cause actual results to differ materially from our expectations. Factors such as market conditions, economic factors, regulatory changes, and unforeseen events may adversely impact our financial performance and business operations. Readers are advised to carefully review the information provided, consider the risk factors disclosed in our filings, and not place undue reliance on forward-looking statements as they are based on current expectations and may change. We undertake no obligation to update these statements, and investors are encouraged to seek professional advice before making investment decisions based on this MD&A.

V-MART RETAIL LIMITED
(CIN - L51909DL2002PLC163727)
Regd. Office: 610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, New Delhi – 110092
Corp Office: - Plot No.862, Udyog Vihar, Industrial Area, Phase V, Gurugram – 122016 (Haryana)
Tel. No.: 0124-4640030, Fax No. 0124-4640046,
Website: www.vmart.co.in, Email: cs@vmart.co.in

NOTICE

Notice is hereby given that the Twenty First (21st) Annual General Meeting of the Members of the Company will be held on Friday, September 15, 2023 at 11:00 A.M.(IST). 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, 2023, along with the reports of the Auditors and the Board of Directors thereon.

"**RESOLVED THAT** the Company's audited financial statements for the financial year ended March 31, 2023, together with the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted."

Item No. 2: Appointment of Mr. Lalit Agarwal (DIN: 00900900) as Director, liable to retire by rotation

To appoint a director in place of Mr. Lalit Agarwal (DIN: 00900900) who retires by rotation and being eligible, offers himself for re-appointment.

"**RESOLVED THAT** Mr. Lalit Agarwal (DIN: 00900900), 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."

Item No. 3: Re-appointment of Statutory Auditors and fixation of their Remuneration

To re-appoint M/s S.R. Batliboi & Co LLP, Chartered Accountants (Firm Registration No.: 301003E/E300005) as the Statutory Auditors of the Company to hold office from the conclusion of this 21st Annual General Meeting until the conclusion of 26th Annual General Meeting of the Company and to fix their remuneration.

"**RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s S.R. Batliboi & Co. LLP, Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company for the second term of 5 (five) years from the conclusion of this 21st Annual General Meeting until the conclusion of 26th Annual General Meeting of the Company on such remuneration as may be recommended by the Audit Committee and approved by the Board of Directors in consultation with the Auditors.

RESOLVED FURTHER THAT Mr. Lalit Agarwal, Managing Director, Mr. Anand Agarwal, Chief Financial Officer and Ms. Megha Tandon, Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters, & things as may be necessary in this regard".

SPECIAL BUSINESS:

Item No. 4: Re-appointment of Mr. Govind Shridhar Shrikhande (DIN: 00029419) as an Independent Director 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 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Govind Shridhar Shrikhande (DIN: 00029419) whose current period of office is expiring on November 1, 2023 and who has submitted a declaration confirming the criteria of Independence under Section 149 of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing, proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for another term of 5 (Five) consecutive years on the Board of the Company w.e.f. November 2, 2023 upto November 1, 2028.

RESOLVED FURTHER THAT Mr. Lalit Agarwal, Managing Director, Mr. Anand Agarwal, Chief Financial Officer and Ms. Megha Tandon, Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters, & things as may be necessary in this regard".

By Order of the Board
For V-Mart Retail Limited

Megha Tandon
Company Secretary
M. No. F10732

Place: Gurugram
Date: May 16, 2023

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 10/2022 dated December 28, 2022, 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 21st AGM of the Company is being held through VC / OAVM. The deemed venue for the 21st AGM shall be the Registered Office of the Company for a term up to the conclusion of 21st Annual General Meeting of the Company in the calendar year 2023.
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. Lalit Agarwal (DIN: 00900900), 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 the 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 the Register of Members and Share Transfer Books from Saturday, September 9, 2023 to Friday, September 15, 2023 (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. 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/ +91 40-7961 1000
    Email: einward.ris@kfintech.com
    Website: www.kfintech.com
13. 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.
14. 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 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.
15. 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.

16. 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.

17. 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 to the Company at cs@vmart.co.in for receiving all communications including the annual report, notices, letters etc., in electronic mode from the Company.

18. 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.

19. In compliance with the provisions of MCA vide its General Circular 10/22 dated December 28, 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 January 5, 2023, January 15, 2021 & May 12, 2020, Notice of the AGM along with the Annual Report 2022-23, are being sent only through electronic mode to those Members whose email IDs are available with the Company/Depositories/RTA.

20. Members may note that the Notice of the AGM and Annual Report 2022-23 will also be available on the Company's website www.vmart.co.in and the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and https://www.nseindia.com/ respectively, and on the website of KFin Technologies Limited at URL: https://evoting.kfintech.com/.

21. 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.

22. 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.vmart.co.in.

23. 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.

24. The Company has fixed Friday, September 8, 2023 as the cut-off date for determining the eligibility of Members entitled to vote at the AGM. The remote e-voting shall remain open for a period of 5 days commencing from 9.00 a.m. (IST) on Sunday, September 10, 2023 up to 5.00 p.m. (IST) on, Thursday, September 14, 2023(both days inclusive).

25. 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.

26. 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.

27. 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.

28. 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.

29. 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.

30. 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, 2016 is due for transfer to IEPF in November 2023. Pursuant to IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on, August 30, 2022 (date of last AGM) on the website of the Company at www.vmart.co.in 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.

31. 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 https://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.

32. 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.

33. 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.

34. 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.

35. 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, September 8, 2023, 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 Sunday, September 10, 2023 up to 5:00 p.m on Thursday, September 14, 2023.

12. Members of the Company who have purchased their shares after the dispatch of the Notice but before the cut-off date (Friday, September 8, 2023) 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 Phone no. +91 40-7961 1000.

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/myeasitoken/Home/Login 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/myeasitoken/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 CSDL. 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 022-24997000	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: http://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 Twenty First 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 Twenty First 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. September 8, 2023. 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' starting from 9.00 a.m. on Sunday, September 10, 2023 up to 5:00 p.m. on Thursday, September 14, 2023.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.vmart.co.in 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 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. 3

M/s S.R. Batliboi & Co LLP, Chartered Accountants (ICAI Firm Registration No: 301003E/E300005) were appointed as the Statutory Auditors of the Company at the 16th AGM held on 29th July, 2018 for a term of 5 years and they hold office upto the conclusion of the ensuing AGM of the Company.

As per the provisions of Section 139 of the Act, no listed company shall appoint or re-appoint an audit firm as an auditor for more than two terms of five consecutive years.

Considering their performance as auditors of the Company during their present tenure and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 16th May 2023, approved the re-appointment of M/s S.R. Batliboi & Co LLP, Chartered Accountants, as the statutory auditors of the Company for the second term of five consecutive years to hold office from the conclusion of this AGM till the conclusion of the 26th AGM of the Company to be held in the year 2028, subject to the approval of Members of the Company.

The Audit Committee and the Board of Directors considered the various factors based on the ICAI recommended Audit Quality Maturity Model (AQMM) in recommending the re-appointment of M/s S.R. Batliboi & Co LLP as the Statutory Auditors of the Company which inter-alia includes the following:

- The firm's performance as the Statutory Auditors of the Company during their current tenure;
- The firm's experience in successfully conducting audits for large retail corporations;
- The competence of the firm's leadership and audit team in effectively auditing the Company's financial statements;
- The firm's ability to adapt and understand the Company's operations, systems, and processes seamlessly; and
- The firm's demonstration of professionalism and their capability to provide quality service to the Company.

M/s S.R. Batliboi & Co LLP, Chartered Accountants, have consented to the said re-appointment and confirmed that their re-appointment, if made, would be within the limits specified under Section 141(3) (g) of the Act. They have also furnished a declaration in terms of Section 141 of the Act that they are eligible to be re-appointed as auditors of the Company and that they have not incurred any disqualification under the Act. They have also confirmed that their firm has been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.

M/s S.R. Batliboi & Co LLP, established in the year 2002, is part of S. R. Batliboi & Affiliates network of audit firms, registered with the Institute of Chartered Accountants of India (ICAI). The Audit Firm primarily provides audit and assurance services, and certain tax assurance services to its clients.

The proposed remuneration to be paid for the financial year 2023-24 is Rs. 53.20 lakhs (plus applicable taxes, travelling and other out-of-pocket expenses). Based on knowledge, expertise, industry experience, time and efforts required to be put in by them, the Audit Committee and the Board is of the view that the proposed fees is reasonable audit fee and in line with the industry benchmarks, considering the size and scale of the Company, particularly post the integration of LimeRoad Business vide Business Transfer Agreement dated October 17, 2022. The fees for services in the nature of statutory certifications and other professional work, if any will be in addition to the audit fee as above and will be determined by the Board in consultation with the Auditors and as per the recommendations of the Audit Committee. The remuneration payable to the statutory auditors for the remaining tenure of the proposed re-appointment shall be mutually agreed between the Board of Directors and the Statutory Auditors, from time to time.

The Board recommends the resolution as set out in Item No. 3 of the accompanying Notice for the approval by the Members of the Company by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

Item No. 4

The Member of the Company in its 17th Annual General Meeting held on August 2, 2019 appointed Mr. Govind Shridhar Shrikhande as an Independent Director of the Company for 5 (five) consecutive years from November 2, 2018 up to November 1, 2023.

In terms of the provisions of Section 149 of the Companies Act, 2013 ("the Act"), read with the rules made thereunder and MCA (Ministry of Corporate Affairs) vide General Circular No. 14/2014 dated June 9, 2014, Mr. Govind Shridhar Shrikhande is eligible for re-appointment as an Independent Directors for one more term of 5 years, on passing of a Special Resolution by the Members.

The Board of Directors of the Company at its meeting held on May 16, 2023, on the recommendation of the Nomination and Remuneration Committee (NRC),, approved the re-appointment of Mr. Govind Shridhar Shrikhande as an Independent Director of the Company w.e.f. from November 1, 2023, for another term of 5 (five) years, subject to the approval of Members of the Company. The Board of Directors is of the opinion that the continued association of Mr. Shrikhande as an Independent Director, will benefit the Company.

Mr. Govind Shridhar Shrikhande possesses rich cross-functional experience of more than three decades in the Textiles, Apparel, and Retail Industries. 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 Managing Director, before Shoppers Stop, he was associated with Mafatlal, Johnson & Johnson, Arvind Group & Bombay Dyeing.

The Company has also received- (a) A declaration of independence from Mr. Govind Shridhar Shrikhande as prescribed under Section 149 (6) of the Act and under Regulation 16 of the Listing Regulations; (b) his consent to act as Director; and (c) A declaration to the effect that he is not disqualified from being appointed as Director in terms of Section 164 (2) of the Act.

In the opinion of the Board, Mr. Govind Shridhar Shrikhande is a person of integrity and possesses appropriate skills, experience & knowledge and fulfils the conditions specified in the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his reappointment as an Independent Director of the Company.

The details of the skills and capabilities of Mr. Govind S. Shrikhande has been provided under the head "**Skills/expertise/ competence of the Board of Directors**" in the Corporate Governance Report forming part of the Annual Report.

Considering the performance evaluation report of the Board, its Committees where Mr. Govind Shridhar Shrikhande is a member, the NRC and the Board are of the view that, given the very strong retail industry-specific knowledge, strong and well-connected network, demonstration of independence and proactiveness during board discussions, his continued association as Director will be of immense benefit and in the best interest of the Company. He actively engaged in discussions regarding different agenda items, offering independent judgment wherever necessary. His valuable insights, expertise, and suggestions were duly acknowledged, leading to the Company's effective operations, growth, and adherence to relevant laws and regulations.

A brief resume of Mr. Govind Shridhar Shrikhande , the nature of his expertise in specific functional areas, names of companies in which he holds Directorships, Committee Memberships/ Chairmanships, his shareholding etc., are separately annexed hereto in **Annexure 1**. Additional information in respect of the above-mentioned director, pursuant to the Listing Regulations and the Secretarial Standard on General Meetings (SS-2) is also given in the Annexure 1 to this Notice and in the Annual Report under 'Directors' Report' and 'Report on Corporate Governance'.

Mr. Govind Shridhar Shrikhande is independent of the management and is not related to any Director(s) or Key Managerial Personnel(s) of the Company. As a Non-executive Director, he will be entitled to a sitting fee for attending Board/ Committee meeting(s) and commission on profits of the Company, as approved by the Board of Directors or members of the Company from time to time.

A copy of the letter of appointment, setting out the terms and conditions of appointment will be available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days (except Saturday & Sunday) up to the date of the AGM, and also at the Meeting.

Save and except Mr. Govind Shridhar Shrikhande and his relatives; to the extent of his shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 4 of the Notice for the approval of the members.

By Order of the Board
For V-Mart Retail Limited

Megha Tandon
Company Secretary
M. No. F10732

Place: Gurugram
Date: May 16, 2023

Annexure-1

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

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

Sl. No.	Particulars	Mr. Lalit Agarwal (Re-appointment)	Mr. Govind S. Shrikhande (Re-appointment)
1.	DIN	00900900	0029419
2.	Date of Birth/ Age	15 January, 1970/ 53	7 September, 1960/ 62
3.	Brief Resume/ Qualification	Bachelor's Degree in Commerce from Bombay University & Diploma in Finance from Narsee Monjee Institute of Management Studies, Mumbai	MBA in Marketing, Symbiosis, Pune University, B. Textile Technology, VJTI, Mumbai University
4.	Experience	He has more than 29 years of experience in retail industry	He possesses rich cross-functional experience of more than three decades in the Textile, Apparel and Retail Industry
5.	Nature of Expertise in specific functional areas	Investor Relations, Scalability & Expansion, Financial Planning & Analysis, Corporate Governance, Retail Operations	Buying & Procurement, Planning & Allocation, Retail Operations, Digital Technology, Leadership Development, Corporate Governance
6.	Terms & conditions of re-appointment	As per the shareholder's approval dated August 30, 2022	As per the resolution
7.	Details of remuneration to be paid	As per the shareholder's approval dated August 30, 2022	Sitting fees & commission as approved by the Members
8.	Remuneration last drawn (during FY 2022-23)	As mentioned in the Corporate Governance Report (forming part of Annual Report 2022-23)	As mentioned in the Corporate Governance Report (forming part of Annual Report 2022-23)
9.	Date of appointment at Board	21st May, 2012	2nd November, 2018
10.	Shareholding in the Company as on 31st March, 2023*	12,77,275	Nil
11.	Relationship with other Directors/ KMPs/ Managers	Son of Mr. Madan Gopal Agarwal, Whole-time Director of the Company	None
12.	No of Board Meetings attended during the FY 2022-23	6 out of 6	6 out of 6
13.	Other Directorships	Conquest Business Services Private Limited	a. India Retails & Hospitality Private Limited b. Donear Industries Limited c. Radiance Areo Hospitality Services Private Limited d. S D Retail Private Limited e. Brand Concepts Limited
14	Membership/ Chairmanship of Committee of the Company	Member of: a. Corporate Social Responsibility Committee b. Stakeholders Relationship Committee Chairperson of: a. Investment Committee b. Warehouse Committee	Member of: a. Audit Committee b. Risk Management Committee c. Investment Committee Chairperson of: a. Nomination & Remuneration Committee
15.	Membership/ Chairmanship of Committee of other Board	Nil	Donear Industries Limited a. Chairperson of Nomination & Remuneration Committee b. Member of Audit Committee
16.	Listed entities from which the person has resigned in the past three years	Nil	Nil
17.	Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Extensive knowledge, expertise and experience in the area of Investor Relations, Scalability & Expansion, Financial Planning & Analysis, Corporate Governance, Retail Operations	Extensive knowledge, expertise and experience in the area of buying & procurement, planning & allocation, Retail Operations, digital technology, Leadership Development, Corporate Governance

*includes only in individual capacity

BOARD'S REPORT

Dear Members,

Your Company's Directors are pleased to present the 21st Annual Report of the Company, along with Audited Accounts, for the financial year ended March 31, 2023.

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, 2023	For the year ended March 31, 2022
Total Income	2,47,981	1,68,013
Profits/(Loss) before Depreciation & Tax	16,697	14,109
Less: Depreciation	17,998	13,070
Loss/Profit before tax	(1,301)	1,040
Less: Tax Expense	(516)	(124)
Net Loss/Profit for the period	(785)	1,164
Less: Utilised for Dividend Issue	148	0
Other comprehensive income	65	(187)
Balance carried forward to Balance Sheet	(868)	977

PERFORMANCE REVIEW

The Net Sales of the Company increased by 48% to Rs. 2,46,484 lakhs in the financial year 2022-23 as against Rs. 1,66,618 lakhs in F.Y. 2021-22. The Company has posted Operating Profits (EBITDA) for FY 2022-23 of ₹ 26,891 lakhs (FY 2021-22 of ₹ 20,433 lakhs) and PAT/Loss for FY 2022-23 of ₹ (785) lakhs (FY 2021-22 of ₹ 1,164 lakhs).

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

OPERATIONS REVIEW

Focusing on expansion opportunities with a long-term view, the Company opened 59 new stores during the year, the total store count was increased to 423 and thereby growing the total retail area by 14% y-o-y to 37 lakhs sq. ft. During the year under review 16 stores were closed.

Throughout the year, the Company focused on expanding our presence nationwide, with a particular emphasis on the southern regions through our Unlimited brand. Out of the total 59 new stores opened, 12 stores were established in the southern region under the brand name of Unlimited. Simultaneously, we took the decision to close 16 underperforming stores, which include 3 Unlimited stores.

Notably, the Unlimited Fashion Stores of the company has undergone a remarkable turnaround, displaying positive growth and strong performance. This success can be attributed to the effective implementation of various strategies. The Company has worked on enhancing its product assortment, optimizing store layouts, and improving supply chain management. Additionally, recognizing the opportunities brought about by digital transformation, the Company has expanded our online presence, which has played a significant role in revitalizing our business.

In a ground-breaking strategic move aimed at expanding the Company's market presence and market share, the Company successfully acquired LimeRoad, a highly popular e-commerce platform in India specializing in fashion and lifestyle products. The acquisition took place on October 17, 2022, by entering into a Business Transfer Agreement (BTA) with A.M. Marketplaces Private Limited (LimeRoad) and certain other parties, as a going concern, on a slump sale basis, for a lump sum consideration.

This acquisition represents the beginning of a new chapter for the Company, where the Company reiterates its commitment to fostering prosperity and enhancing the lives of fashion-conscious individuals. It also serves to strengthen and extend its presence in tier II, tier III, and tier IV cities.

Through this strategic integration, the Company is combining V-Mart's expertise with LimeRoad's digital strengths. The Company's shared vision is deeply rooted in the core principles of making affordable and fashionable apparel accessible to every corner of India.

A major portion of investment made by the Company in the financial year was allocated towards the establishment of a new warehouse, which has been recently inaugurated. In line with the Company's commitment to environmental responsibility, the Company has adopted a green building design for the warehouse.

It is noteworthy that the Company's state-of-the-art facility has aimed to adopt the standards of the IGBC Gold Certification, reflecting its dedication to energy efficiency, eco-friendliness, and waste reduction. The warehouse incorporates innovative features and initiatives aimed at minimizing its environmental impact. The warehouse shall be fully automated, utilizes natural light, and runs on a solar power plant. The Company also prioritized green construction and implemented environmentally friendly materials.

DIVIDEND

In view of accumulated losses in financial year 2022-23, your directors have not recommended payment of any dividend for the year under review.

RESERVES

During the year under review, the Company has transferred Rs. (64.25) Lakhs to reserves. Post transfer, the reserves stood at Rs. 82,922.60 Lakhs as on March 31, 2023.

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 Rs. 195 crores Line of Credit of your Company.

The credit rating of the Company as on March 31, 2023 is as under:

Facilities	Previous Rating	Existing Rating
Long term bank limits	[ICRA] AA- (ICRA double A minus) (with stable outlook)	[ICRA] AA- (ICRA double A minus) (with positive 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

During the FY 2022-23 your Company has been recognised and honoured with a number of prestigious awards and accolades, acknowledging our achievements across various segments in the retail industry and governance. These achievements stand as a testament to the unwavering dedication and relentless commitment we invest in our work consistently, year after year.

- Won the prestigious Golden Peacock Award for Excellence in Corporate Governance, 2022 by the Institute of Directors
- Won the Certificate of Appreciation at the 22nd Institute of Company Secretaries of India ("ICSI") National Awards for Excellence in Corporate Governance by ICSI
- Won the Commitment to Being a Great Place to Work by Great Place to Work
- Won the IMAGES Most Admired Retailer of the Year for New Market Penetration at IRA 2022

LISTING

The Equity Shares of your Company continue to be listed at BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). The listing fees for fiscal 2023 have been paid for all of the above stock exchanges where the equity shares of the Company are listed.

Exchange	Scrip Code	ISIN
NSE	VMART	INE665J01013
BSE	534976	

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 the Annual Return in prescribed form MGT–7 to be placed on the Company's website at the link www.vmart.co.in 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 forms a part of this report.

NUMBER OF MEETINGS OF THE BOARD

Six (6) 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 parameters and the process have been explained in the *Corporate Governance Report.*

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

The shareholders at the 20th AGM held on August 30, 2022 re-appointed Mr. Lalit Agarwal as the Managing Director and Mr. Madan Gopal Agarwal as the Whole-time Director for a period of 5 years w.e.f. from May 31, 2022.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Lalit Agarwal (DIN: 00900900) 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 re-appointment 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 Company has a Nomination & Remuneration Policy to ensure a competent Board. The Committee identifies competency gaps, evaluates candidates, and recommends suitable members. It also fills Board vacancies as needed. The selected candidates are invited to join the Board and approved by Shareholders.

The Company has also constituted a Nomination & Remuneration Committee which help determine the selection criteria for board members through the following roles and responsibilities among others:

(a) The 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.

(b) The Committee shall be responsible to determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(c) 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.

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

According to the Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the listed entity shall familiarise the independent directors through various programmes about the listed entity, including the following:

a. nature of the industry in which the listed entity operates;
b. business model of the listed entity;
c. roles, rights, responsibilities of independent directors; and
d. any other relevant information.

The details of the 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, Mr. Lalit 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



A detailed note on the Board and its Committees is provided under the *Corporate Governance Report* 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 form part of this report. The Company has also complied with disclosing the required details on the website of the company on www.vmart.co.in

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 I to the *Corporate Governance 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 the Annual General Meeting of the Company. A certificate from the Secretarial Auditors 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, 2012, which was approved by the Board of Directors and the shareholders *vide* resolution dated 2nd July, 2012 and 10th July, 2012 respectively ('the V-Mart ESOP Scheme 2012'), consequent to which 300,000 equity shares of Rs. 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 10th August, 2020 and 30th September, 2020 respectively ('the V-Mart ESOP Scheme 2020'), consequent to which 200,000 equity shares of Rs. 10 each were to be granted upon exercise as stock options (ESOPs) to eligible employees. Subsequently, the shareholders in its meeting held on August 30, 2022 approved an amendment in the said ESOP scheme by increasing the total number of stock options from 200,000 to 500,000 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 recognised stock exchange and shall be decided by the nomination and remuneration committee, subject to compliance with the provisions of the SEBI (Share based employee benefits and sweat equity regulations) 2021. The Nomination and Remuneration committee may provide a maximum discount of upto 50% on the above price.

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

Scheme	Grants	Vesting	Timeline
V-Mart ESOP Scheme 2012	During the financial year 2022-23 – No grant has been made	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 2022-23 – 2 grants have been made comprising a total of 2,58,463 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 during the year are as follows:

Sr. No.	Date of Allotment	No. of shares Allotted (ESOP Scheme 2012)	No. of shares Allotted (ESOP Scheme 2020)
1	May, 2022	6144	-
2	June, 2022	2000	8573
3	August, 2022	-	2220
4	November, 2022	4000	72
	Total	**12144**	**10865**

The information required to be disclosed under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on March 31, 2023 are as follows:

Particulars	Details
Date of Shareholders Approval	ESOP Scheme 2012: July 10, 2012 and amended on September 18, 2017 ESOP Scheme 2020: September 30, 2020 and amended on August 30, 2022
Total number of options approved	ESOP Scheme 2012: 6,00,000 ESOP Scheme 2020: 5,00,000
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: 41,953 ESOP Scheme 2020: 1,80,085
Number of options granted during the year	ESOP Scheme 2012: Nil ESOP Scheme 2020: 2,58,463
Number of options forfeited / lapsed during the year	ESOP Scheme 2012: Nil ESOP Scheme 2020: 34,841
Number of options vested during the year	ESOP Scheme 2012: Nil ESOP Scheme 2020: Nil
Number of options exercised during the year	ESOP Scheme 2012: 12,144 ESOP Scheme 2020: 10,865
Number of shares arising as a result of exercise of Options	ESOP Scheme 2012: Nil ESOP Scheme 2020: Nil
Money realized by exercise of options (Rs.in Lakhs)	ESOP Scheme 2012: 215.74 ESOP Scheme 2020: 136.11
Number of options outstanding at the end of the year	ESOP Scheme 2012: 29,809 ESOP Scheme 2020: 3,92,808
Number of options exercisable at the end of the year	ESOP Scheme 2012: 18,988 ESOP Scheme 2020: 6,449
Pricing Formula	The Nomination & Remuneration Committee is authorized to determine the exercise price of ESOPs, with defined limitations,
Person-wise details of options granted during the Financial Year 2022-23:	
Senior managerial personnel/key managerial personnel A. ESOP Scheme 2012 B. ESOP Scheme 2020	
A. Details of options granted (**ESOP Scheme 2012**)	
Name of SMP/ KMP	Nil
Number of shares	Nil
Exercise Price Per share	Nil
B. Details of options granted (**ESOP Scheme 2020**)	
Name of SMP/ KMP	Suchi Mukherjee
Number of shares	1,96,298
Exercise Price Per share	1,415
i) Any other employee who received a grant in any one year of options amounting to 5% or more options granted during the year	Nil
ii) 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	-3.97
Lock-in	NIL
Impact of the difference on the profits of the Company and on the EPS	Impact of the difference on Profits: Rs. 454.31 Impact of the difference on EPS: Nil
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)	52.39 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	(i) ESOPs Grant XIV	(ii) ESOPs Grant XIV	ESOPs Grant XV	ESOPs Grant XVI	(i) ESOPs Grant XVII	(ii) ESOPs Grant XVII
ESOP Scheme	**Scheme 2012**	**Scheme 2012**	**Scheme 2012**	**Scheme 2012**	**Scheme 2012**	**Scheme 2012**	**Scheme 2012**	**Scheme 2012**	**Scheme 2012**	**Scheme 2020**	**Scheme 2012**	**Scheme 2020**	**Scheme 2012**	**Scheme 2020**	**Scheme 2020**	**Scheme 2020**
Price per option (In Rs.)	470	900	1260	2047	2044	2286	2347	1683	1769	1244	2520	1400	1842	1487	1415	1,415
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	6.41	6.71	6.38	6.44	6.44
Expected Life (In years)	4	4	4	3	3	3	3	3	3	4	3	4	4	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%	20.07%	16.30%	18.07%	15.67%	15.67%
Dividend Yield	0.24%	0.18%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.00%	0.10%	0.10%	0.10%
Closing market price of share as on date of option grant	522.35 (NSE) (BSE) 510	1243.90 (NSE) (BSE) 1220.45	1412.60 (NSE) (BSE) 1419.8	2274.05 (NSE) (BSE) 2327.20	2270.95 (NSE) (BSE) 2367.05	2540.25 (NSE) (BSE) 2781.05	2,594.85 (NSE) (BSE) 2544.20	1,871.00 (NSE) (BSE) 1911.40	1966.80 (NSE) (BSE) 1980.95	2487.55 (NSE) (BSE) 2501.75	2799.85 (NSE) (BSE) 2701.60	2799.85 (NSE) (BSE) 2701.60	3683.15 (NSE) (BSE) 3694.15	2974.35 (NSE) (BSE) 2979.85	2829.65 (NSE) (BSE) 2827.15	2829.65 (NSE) (BSE) 2827.15
Weighted average exercise price (In Rs.)	470	900	1,260	2,047	2,044	2,286	2,347	1,683	1,769	1,244	2520	2520	1842	1487	1415	1415
Weighted average fair value of stock option (In Rs.)	211	673	727	902	913	792	807	591	443	1,473	771	1726	2177	1738	1725	1725

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 9, 2017	Scheme 2012	1,260	9,300	9,300	0	6,528	2,772	0
7	May 24, 2018	Scheme 2012	2,047	18,527	18,527	0	4,781	13,746	0
8	July 23, 2018	Scheme 2012	2,044	40,764	40,764	0	27,868	3,210	9,686
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	0	0	5,369	2,859
11	August 2, 2019	Scheme 2012	1,683	6,025	3,614	0	100	3,597	2,328
12	November 10, 2020	Scheme 2012	1,769	27,051	8,115	0	12,115	0	14,936
13	December 24, 2020	Scheme 2020	1,244	1,85,950	0	0	10,255	55,015	1,20,680
14	May 28, 2021	Scheme 2012	2,520	705	0	0	0	705	0
14	May 28, 2021	Scheme 2020	1,400	7,617	0	0	610	0	7,007
15	February 10, 2022	Scheme 2020	1,842	13,163	0	0	0	3,997	9,166
16	August 5, 2022	Scheme 2020	1,487	20,767	0	0	0	0	20,767
17	November 11, 2022	Scheme 2020	1,415	2,37,696	0	0	0	2,508	2,35,188

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 (Rs)
Outstanding at the beginning of the year	222,004	1,032.60
Granted during the year	258,463	1,420.79
Forfeited/ Cancelled during the year	(34,841)	1,297.04
Expired during the year	0	0
Exercised during the year	(23,009)	1,529.17
Outstanding at the end of the year	422,617	1,413.43
Exercisable at the end of the year	25,437	1,820.20

	As at March 31, 2023
Weighted average remaining contractual life (in years)	7.35

AUTHORISED SHARE CAPITAL

The Authorized Share Capital of your Company as on March 31, 2023 stood at Rs. 25,00,00,000 (Rupees Twenty-Five crores only) divided into 2,50,00,000 (Two Crores and Fifty Lakhs only) equity shares of Rs. 10/- (Rupees Ten only) each.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an 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://vmart.co.in/wp-content/uploads/2023/07/Related-Party-Transaction-Policy.pdf. 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 2022-23, your Company has not accepted any deposits from the public, and as such no amount of principal or interest was outstanding as on the date of the Balance Sheet.

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

Loans, Guarantees & Investments 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, 2023 AND THE DATE OF BOARD'S REPORT

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

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 comprising of four members, namely

- Ms. Sonal Mattoo (Chairperson),
- Mr. Lalit Agarwal (Member)
- Mr. Madan Gopal Agarwal, (Member) and
- Mr. Aakash Moondhra, (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 a net worth of rupees five hundred crores or more, or a turnover of rupees one thousand crores or more or a net profit of rupees five crores or more during the 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 Rs. 46.44 lakhs on CSR activities during the year.

During the year under review, your Company has spent an amount Rs. 61.14 lakhs towards the Corporate Social Responsibility projects. The company has spent all its statutorily mandated 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, the 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 continued 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, adding reminder messages near switches and doors to promote electricity conservation, all Air Conditioners (AC's) at its office have temperature sensors to ensure periodic compressor cuts, and installation of motion sensor-enabled lighting systems enabled at the warehouse of the Company.
- Recycling metal and wood scrap to create tables and racks for operational purposes
- Prioritizing the use of recycled materials, reusing carbon boxes, minimizing plastic and paper consumption, and implementing efficient scrap management practices.
- The water filtration systems produce 3,000 litres of waste water on weekdays, reducing reliance on water supply resources.
- The use of automated sensors in water tanks and coolers to prevent water wastage from overflow.
- Groundwater recharging through rainwater capture
- The waste water from the RO system is utilized for cleaning and gardening purposes and regular maintenance of the RO system is conducted to minimize effluent generation.
- Installed motion sensors to control lights in the storage area, racks and washroom to save energy on a daily basis.
- Replacing the old machinery and devices with highly energy efficient 5 star rated devices.
- Replacing higher wattage lights with lower wattage LED lights while maintaining LUX level of 350 in the warehouse of the Company, thereby saving 2 KW of energy daily.
- The Company also implemented a cable tray design to minimize unnecessary consumption in electrical devices and utilized a digital control panel to oversee energy meters and mitigate any potential energy losses.
- Further, obtained fresh electrical equipment (alternating current/diesel generator) in accordance with the most recent environmentally-friendly regulations, such as the "CBCB4" standard.

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 up gradation of Vendor Portal and Vendor Data Management System with the new features such as further improved quality check; Advanced Shipment Notice (ASN) and Logistics Support
- Implementation of a Transporter Management system for outbound process;
- Building a centralized state of the art warehouse for meeting the future omni channel scale.
- Upgraded Warehouse Control System (WCS) for segregation for stores returns (with logic SKU, Article, option and Multi season wise);
- The Rule Engine has been enhanced and implemented to facilitate Inventory Replenishment in stores.

Cyber Security:

The initial phase of Cyber Security implementation has been introduced, incorporating the following features:

- System, user and application authentications for security purposes;
- Single sign-on (SSO) is an authentication mechanism that allows users to securely authenticate across multiple applications and websites using a single set of credentials.

Omni Channel:

- We have expanded our presence by partnering with marketplaces like Amazon, Myntra, and vmartretail.com. Additionally we have introduced our products this year on LimeRoad.com.
- Our custom Customer Data Platform (CDP) enhances interaction with loyal customers, allowing us to send personalized messages and exclusive promotions, resulting in increased sales.
- We've introduced a new feature - customers can now interact with us through our official Whatsapp handle. They can easily find personalized coupons, eliminating previous challenges. This innovation aims to streamline the process, reduce queues, and provide a smoother shopping experience.
- VMart's data science and engineering team collaborated with external consultants to automate and implement merchandise planning processes, particularly in the area of demand forecasting. Through our joint efforts, we have achieved a remarkable milestone in more accurately predicting monthly demand for every season, achieving an impressive accuracy rate of ~71% across over 250 departments.
- To ensure that our stores offer the most suitable merchandise selection, we have implemented a recalibration process during the year. By considering regional preferences, competition analysis, and customer surveys, we aim to curate products that align with the specific needs and preferences of each location.Through this, we have successfully delivered recommended merchandise mixes based on these factors. During the early pilot phases, we recorded growth in our monthly rate of sale across various divisions, with improvements reaching up to 3%.
- We have witnessed a remarkable increase in our daily listings; it has increased from ~50 options per day to 500 options per day. This substantial increase in listings has allowed us to expand our product offerings and cater to a broader range of customer preferences.
- To ensure a strong omnichannel culture and adherence to service level agreements (SLAs) across our expansive network of over 400+ stores throughout India, we have taken deliberate measures to align and communicate the pace of growth and incentives to our stores.Through carefully crafting sales incentives and multiple rounds of culture building store staff trainings,we have successfully fostered the growth of our endless aisle orders. In just 9 months since implementation,we have witnessed a remarkable increase from 200 orders per month to over 12,000 orders per month.
- Accurate inventory management and intelligent order routing allow us to efficiently fulfil online orders from our stores. We prioritize inventory analysis, automation, and leverage our Order Management Systems (OMS) to ensure timely delivery and maximize customer satisfaction.

Financial, Operations and Analytics:

- Efficiency has been enhanced through the implementation of workflow-based systems in various areas such as store selection, project management, and compliance management.
- The Tableau dashboard for tracking key business performance indicators (KPIs) has been upgraded.
- Further leveraging of analytic based personalized customer discount through 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 Rs.)	Foreign Exchange Outgo (Amount in Rs.)
	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 www.vmart.co.in (http://vmart.co.in/corporate-governance/)

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company believes in the conduct of the affairs of its various constituents fairly and transparently by committing the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with this commitment, This Vigil Mechanism/ Whistle Blower Policy ("the Policy") has been formulated to provide a mechanism for all stakeholders, including Directors, Employees, Customers, Vendors, Associates and Suppliers of the Company to raise concerns about suspected frauds, any violations of legal/regulatory requirements or code of conduct/ policy of the Company, incorrect or misrepresentation of any financial statements and reports, etc.

This Policy is to encourage V-Mart's stakeholders who have concerns about suspected misconduct to come forward and report any actual or potential unethical practices in violation of the code of conduct or the applicable laws, without fear of retaliation, punishment or unfair treatment.

The policy provides a mechanism whereby whistle-blowers 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.vmart.co.in (https://vmart.co.in/corporate-governance/)

CODE ON PROHIBITION OF INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has in exercise of powers conferred under the 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 Insiders, 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 the implementation of the Code.

The Code, inter alia, lays down the procedures to be followed by DPs while trading/ dealing in Company securities and while sharing Unpublished Price Sensitive Information (UPSI). The Code includes the obligations and responsibilities of DPs, and the obligation to maintain a structured digital database, a mechanism for the prohibition of insider trading and handling of UPSI.

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

Structured Digital Database (SDD) Module – Tracking of UPSI

The Structured Digital Database (SDD) Module has been implemented by the Company to track the transfer of Unpublished Price Sensitive Information (UPSI), in accordance with SEBI Regulations. All designated persons are required to update the data related to the UPSI that they are sharing.

If any person contravenes the same, he/she shall be penalized by SEBI as per the Regulations and shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, etc.

The details in this respect are available in the Ethics Framework available on the website of the Company: www.vmart.co.in.

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 comprising of three members, namely:

- Mr. Murli Ramachandran (Chairperson),
- Mr. Aakash Moondhra (Member),
- Mr. Govind Shridhar Shrikhande (Member).

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 forms part of this report.

HUMAN RESOURCE MANAGEMENT

During the FY 2022-23 the Company continued to invest in the growth, progression, welfare and well-being of the employees. The Company endeavours to achieve a harmonious equilibrium between personal advancement and professional enrichment and progression by furnishing a secure, facilitative, and prolific work milieu.

The Company has prioritized workforce planning and analytics to identify skills gaps, predict talent needs, and implement strategies for attracting and retaining high-performing employees. Employee well-being, both physical and mental, has been prioritized through resources and support for stress management, work-life balance, and mental health.

In terms of training and development, various programs have been implemented to support employees at all levels. Retail excellence training focuses on customer service and sales techniques, management development programs target middle-level managers for skills development, and leadership training programs provide support to senior leaders through coaching and education. Technical training programs are also offered to enhance expertise in specific areas such as merchandising and supply chain management.

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 Rs 1.02 crores or more, or employed for the part of the year and in receipt of Rs 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 an 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 & REPORT

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.

The Audit Committee and the Board at their meeting held on May 16, 2023 approved the re-appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) as the statutory auditors for a second term of five (5) years i.e. from the conclusion of the 21st AGM held for the financial year 2022-23 till the conclusion of 26th AGM held for the financial year 2027-28. The necessary resolution(s) seeking the approval of the shareholders for their appointment as statutory auditors is included in the notice of the 21st AGM along with other necessary disclosures required under the Act and the Regulations.

Further, the Auditors' Report "with an unmodified opinion", given by the Statutory Auditors on the financial statements of the Company for financial year 2022-23, forms part of this Annual Report. There was no observation or qualification in the Auditor's Report. 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 2022-23, 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 regarding internal financial control and its adequacy are included in the *Management Discussion and Analysis*, which forms 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 the 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 Women 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: 5 (five)

b) Number of complaints disposed-off during the year: 5 (five)

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)

   POSH Course is a default, mandatory course that every new employee has to undertake in the organization. We have also assigned the POSH training course to all employees in December 2022, covering 8,000+ V-Mart employees. This type of training focuses on educating employees on proper workplace behaviour, how to handle uncomfortable situations, and what to do if they experience or witness sexual harassment in the workplace.

e) Nature of action taken by the employer or district officer: A detailed investigation was carried out by the Company and the appropriate action was 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, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred by the company in the name of Investor Education and Protection Fund.

Further details of unpaid or unclaimed dividends and shares are provided on our website at www.vmart.co.in.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

As stipulated in terms of the provisions of Regulation 34 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Business Responsibility & 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 to 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 dividends to its shareholders and/or retaining profits earned by the Company. The policy is available on the Company's website at the link: https://vmart.co.in/wp-content/uploads/2023/07/Dividend-Distribtion-Policy-1.pdf.

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.

DIRECTORS 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 coordination extended by the employees, shareholders, customers, suppliers, bankers, and all other business associates.

Your Directors gratefully acknowledge the ongoing cooperation and support provided by Central Government, State Governments, and all regulatory authorities.

Your Directors also 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

Place: Gurugram
Date: May 16, 2023

Madan Gopal Agarwal
DIN:02249947
Whole-time Director

Lalit Agarwal
DIN: 00900900
Managing Director

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 & REMUNERATION COMMITTEE

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

4.2 The Committee is responsible for:

4.2.1 Formulating framework and/or policy for remuneration, terms of employment including

service contracts, policy for and scope of pension arrangements, etc. for Executives and reviewing it on a periodic basis;

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

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

4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully 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 directors 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 Rs. 1,00,000/- and Rs. 75,000/- for meeting of Audit and Nomination and Remuneration Committee per meeting per member. 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

1. Brief outline on CSR Policy of the Company:

We are giving back and positively impacting local communities through V Mart store clusters and sourcing hubs by enhancing their quality of life and overall wellbeing in a sustainable manner. Our programs designed to cover thematic areas of Education, Entrepreneurship and Skill Development, Community Infrastructure Development, Medical and Health Care, Environment, Social Empowerment, Sports Education, Disaster Relief, Supporting NGOs working for Human and Animal Welfare and various need based initiatives along with providing volunteering opportunities to our employee across the nation.

2. Composition of CSR 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.	**Ms. Sonal Mattoo**	Chairperson*	4	4
2.	**Mr. Lalit Agarwal**	Member	4	4
3.	**Mr. Madan Gopal Agarwal**	Member	4	1
4.	**Mr. Aakash Moondhra**	Member	4	4
5.	**Mr. Govind S. Shrikhande****	Member	4	1

** Ms. Sonal Mattoo becomes the Chairperson of the Corporate Social Responsibility Committee by replacing Mr. Lalit Agarwal w.e.f. 25 May, 2022.*

***Mr. Govind S. Shrikhande ceases to be the member of the Corporate Social Responsibility Committee w.e.f. 25 May, 2022.*

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: https://vmart.co.in/wp-content/uploads/2022/09/CSR-Policy.pdf

4. Provide the executive summary along with the web-link(s) 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:

5. (a) Average net profit of the company as per section 135(5). : INR 23,21,81,315
   (b) Two percent of the average net profit of the company as per section 135(5) : INR 46,43,626
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : INR Nil
   (d) Amount required to be set off for the financial year, if any : INR 10,22,569
   (e) Total CSR obligation for the financial year (b+c-d) : INR 36,21,057

6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Project) : INR 61,14,403
   (b) Amount spent in Administrative Overheads : Nil
   (c) Amount spent on Impact Assessment, if applicable : NA
   (d) Total amount spent for the Financial Year (a+b+c) : INR 61,14,403

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	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.
61,14,403	Nil	NA	NA	Nil	NA

(f) Excess amount for set off, if any :

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of the average net profit of the company as per section 135(5)	46,43,626
(ii)	Total amount spent for the Financial Year	61,14,403
(iii)	Excess amount spent for the financial year [(ii)-(i)]	14,70,777
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	14,70,777

7. (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 Rs.)	Balance amount in unspent CSR account under section 135(6) (in Rs.)	Amount spent in the Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs).	Date of transfer.		
1	2021-22	Nil	Nil	2,47,77,000	NA	NA	Nil	Nil
2	2020-21	Nil	Nil	3,30,72,873	NA	NA	Nil	Nil
3	2019-20	Nil	Nil	1,08,77,423	NA	NA	Nil	Nil

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year. If Yes, enter the number of capital asset created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
-	-	-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. 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

Place: Gurugram
Date: May 15, 2023

Lalit Agarwal
Managing Director
DIN: 00900900

Sonal Mattoo
Chairperson CSR Committee &
Independent Director
DIN: 00106795

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 22-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 22-23 are as under:

Sr. No.	Name of Director, KMP & Designation	% increase/decrease in Remuneration in the Financial Year 2022-23	Ratio of remuneration of each director/to median remuneration of employees
1.	Mr. Aakash Moondhra, Chairman & Independent Director	13.50%	8.30
2.	Mr. Lalit Agarwal Managing Director	14.75%	171.66
3.	Mr. Madan Gopal Agarwal, Whole-time Director	14.12%	30.67
4.	Mr. Murli Ramachandran Independent Director	72.53%	10.86
5.	Ms. Sonal Mattoo, Independent Director	42.66%	8.94
6.	Mr. Govind Shridhar Shrikhande Independent Director	72.06%	10.86
7.	Mr. Anand Agarwal, Chief Financial Officer	24.02%	128.90
8.	Ms. Megha Tandon, Company Secretary	33.36%	10.03

* Subject to ratification/ waiver of Remuneration by shareholders

3. The median remuneration of employees of the Company during the financial year 2021-22 was Rs. 1,10,208 whereas in FY 2022-23 it is Rs. 1,17,408. Therefore in FY 22-23, there is an increase of 1.06% in the median remuneration of employees.

4. Number of Permanent Employees on the rolls of Company as on 31st March, 2023: 9,333.

5. The Average percentage increase/decrease in the salaries of the employees (other than Managerial Personnel) for FY 22-23 is 9 % whereas the average percentile increase/ decrease in the managerial remuneration for FY 22-23 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 22-23 and were in receipt of minimum aggregate Remuneration of Rs. 1.02 Crores:

Employee Name	Designation	Educational Qualification	Nature of Employment	Experience (in years)	Age	Date of joining	Remuneration in Fiscal 2023 (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 Agarwal	Managing Director	B.Com	Permanent	29	52	01/10/2003	2,01,54,151	6.46%*	NA	Vishal Retail
Mr. Vineet Jain	Chief Operating Officer	CA	Permanent	26	47	02/11/2020	2,45,21,771	0.03%	NA	Future Retail Ltd (CEO- North & NCR)
Mr. Anand Agarwal	Chief Financial Officer	CA and CS	Permanent	28	49	01/06/2017	2,05,15,485	0.02%	NA	HT Media Ltd.

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

The details of Employees who were employed for that part of FY 22-23 and were in receipt of minimum aggregate Remuneration of Rs. 8.5 Lakhs per month:

Employee Name	Designation	Educational Qualification	Nature of Employment	Experience (in years)	Age	Date of joining	Remuneration in Fiscal 2023 (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. Jayesh Kothari	President - Merchandising	B.Com (H)	Permanent	17	56	09/06/2022	10,28,474	Nil	NA	Reliance Retail Limited
Ms. Suchi Mukherjee	Chief Executive Officer - LimeRoad	B.A (Hons), MSc	Permanent	25	50	11/11/22	9,41,450	Nil	NA	ebay, Skype TPG Wholesale Private Limited

The details of Employees who were employed during FY 2022-23 (whether for full year or part thereof) and were drawing remuneration [i.e. either Rs. 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: NA

ANNEXURE - D to Board Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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, 2023 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, 2023 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 Company has received the Approval from both the stock exchange i.e. the BSE Limited and the National Stock Exchange of India Limited on 23rd January, 2023 for the Re-classification of the following mentioned shareholders of the Company from Promoters and Promoter Group to "Public category":

S. No.	Name of Persons under Promoter / Promoter Group	No. of Equity shares held (Face value of 10/- each) as on 31st March, 2023	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

b. The Company has granted 268,463 options and allotted 12,436 Equity Shares to its employees under **V-Mart Retail Limited Employee Stock Option Plan, 2020 & V-Mart Retail Limited Employee Stock Option Plan, 2012**. Further the Company has altered its Employee Stock Option Scheme 2020 in the Annual General Meeting of the Company held on 30th August, 2022 by way of further increasing 3,00,000 additional shares in the pool of aforesaid scheme.

c. The Company has acquired an online marketplace namely "LimeRoad" from A.M. Marketplaces Private Limited ("LimeRoad") through a business transfer agreement (BTA), as a going concern, on a slump sale basis, for a Lump sum cash consideration of INR 31.12 Crores. Pursuant to the aforesaid BTA the Company has also acquired assets worth approximately INR 14.61 Crores and assumed current liabilities of INR 36.26 Crores directly attribute to the acquired business.

The acquisition by the Company has been concluded on 10th November, 2022.

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

CS Ishan Khanna
Partner
ACS No. 53517
C P No. 24258
UDIN: A053517E000288829
Peer Review Cer. No. 1955/2022

Date: 16/05/2023
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

Place: Gurugram
Date: May 16, 2023

Lalit Agarwal
Managing Director
DIN: 00900900

Aakash Moondhra
Chairperson and Independent Director
DIN: 02654599

CORPORATE GOVERNANCE REPORT

Our company's governance framework is based on principles of clarity, fairness, and transparency, which are fully integrated into our day-to-day operations. In our governance structure, we place importance on customer-centricity, commitment, agility, integrity, and prudence. Our business model centers around meeting customer aspirations, nurturing talent, fostering ethical growth for stakeholders, and building strong vendor relationships to create value for the entire ecosystem. We consistently adapt and follow best practices to enhance the value for our stakeholders, which we believe is fundamental to our business. By prioritizing good corporate governance, we ensure ethical and efficient conduct while maximizing value for all stakeholders, including shareholders, customers, employees, contractors, vendors, and society as a whole. We are dedicated to establishing these practices as norms and exceeding regulatory requirements to ensure sustainable growth for our business and stakeholders.

The Company enforces Corporate Governance through a sturdy board governance system and effective management processes, which include internal controls, a code of conduct, a comprehensive risk management framework, and various policies and procedures.

The Corporate Governance Report of the Company is divided into the following parts:

A. Corporate Governance Philosophy

B. Board of Directors

C. Committees of the Board

D. Remuneration to Directors

E. General Body Meetings

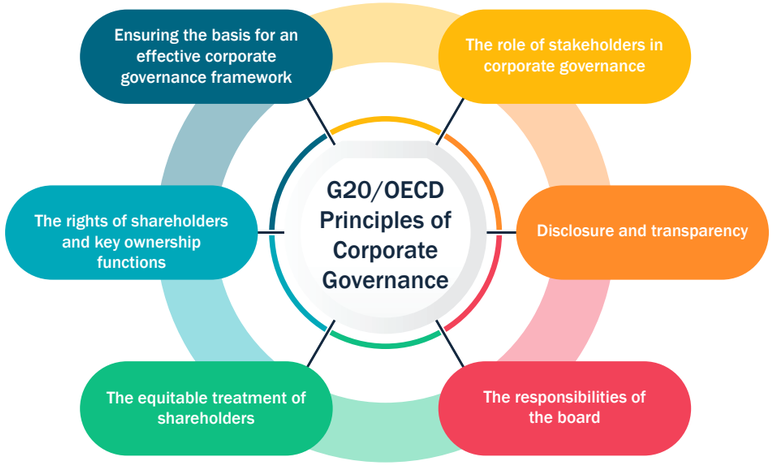
F. Information to Shareholders

G. Communication

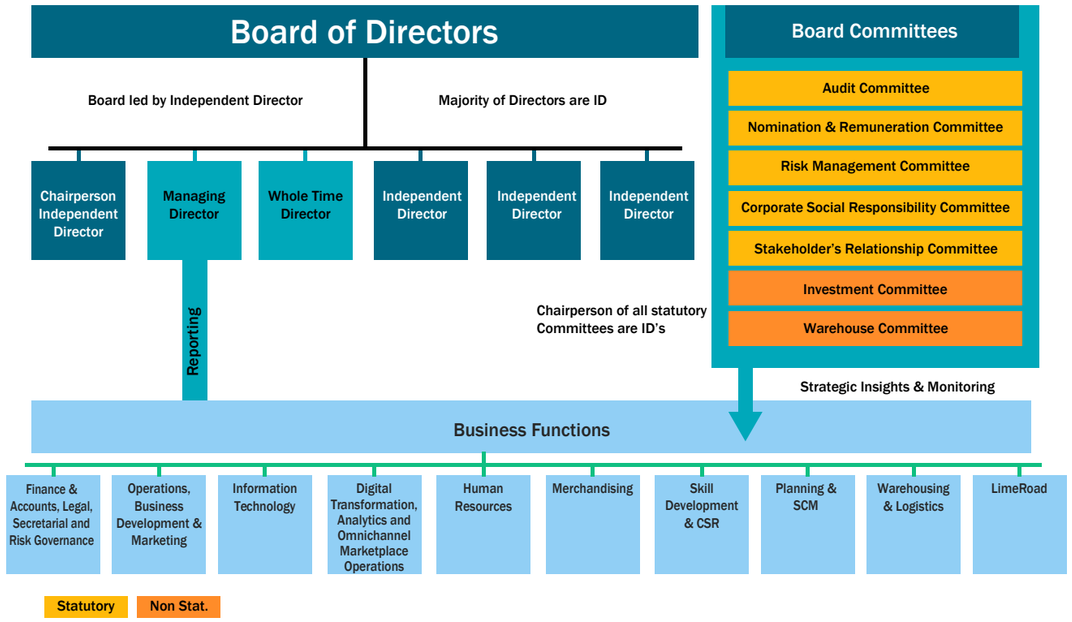
H. Disclosures

A. CORPORATE GOVERNANCE PHILOSOPHY

The governance of the Company is guided by OECD (Organization for Economic Co-operation and Development) Principles. These Principles of Corporate Governance, reflect a global consensus regarding the critical importance of good corporate governance in contributing to the economic vitality and stability of our economies. 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.



B. 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. The Board consists of a balanced combination of Executive Directors and Independent Directors in accordance with the requirements of the Companies Act, 2013; and the same is in compliance with the requirements of Regulation 17 of the Listing Regulations. The Chairperson of the Company is an Independent Director.

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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on March 31, 2023, the Board comprises 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, 2023 is as follows:

- Executive Promoter Directors - 2
- Executive & Independent Directors (including Women Director) – 4

The Company has obtained the required disclosures from all its four Independent Directors, as per Section 149(7) of the Companies Act, 2013. Each director has affirmed that they fulfill all the criteria specified in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. Furthermore, there have been no changes in their circumstances that would affect their status as Independent Directors during the year.

The detailed profile of all the Board members is available on the Company's website at www.vmart.co.in

Skills/expertise/competence of the Board of Directors

As per SEBI Listing Regulations, 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 Agarwal	Madan Gopal 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 Agarwal	V-Mart Retail Limited	Son of Mr. Madan Gopal Agarwal
Mr. Madan Gopal Agarwal	V-Mart Retail Limited	Father of Mr. Lalit 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 Brand Concepts 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 board committee meetings are scheduled in advance and a yearly calendar of these meetings is shared with the directors well ahead of time to ensure their availability and meaningful participation. Prior to each meeting, a comprehensive agenda containing explanatory notes and relevant information is circulated to all board members. During the meetings, detailed presentations are delivered to cover all significant functions and activities. The management team is also invited to provide updates on important areas including functional performance, risk management, operations, and overall business performance of the company. The necessary strategic and material information is provided to the board members to facilitate transparent decision-making processes.

The Audit Committee invites both the Internal and Statutory Auditors to present their audit findings in the Committee Meeting. During each Audit Committee meeting, there is a separate and independent discussion between the Audit Committee members, the statutory auditors, and the independent directors, without the presence of the management team.

After the meetings, the crucial decisions made during the board and it's committee meetings are diligently monitored until their completion. An "action taken report" is presented to the board during each subsequent meeting for their acknowledgement and review.

To ensure ongoing involvement and review of strategic and other significant matters, the Board conducts periodic video conferences or conference calls with the senior management team and monthly pre-scheduled conference calls.

Number of Board Meetings

During the Financial Year 2022-23, 6 (six) 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 25/05/2022, 05/08/2022, 23/09/2022, 17/10/2022, 11/11/2022 and 06/02/2023.

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 2022-23	No. of other directorships in public companies* as on 31/03/2023	Attendance in the last AGM	No. of Committee** positions held in other public companies as on 31/03/2023	
					Chairperson	Member
Mr. Aakash Moondhra (Chairperson)	Independent Non-Executive Director	6	-	Yes	-	-
Mr. Lalit Agarwal (Managing Director)	Promoter Executive	6	-	Yes	-	-
Mr. Madan Gopal Agarwal (Whole-time Director)	Promoter Executive	4	-	Yes	-	-
Ms. Sonal Mattoo	Independent Non-Executive Director	6	2	Yes	2	2
Mr. Murli Ramachandran	Independent Non-Executive Director	6	-	Yes	-	-
Mr. Govind S. Shrikhande	Independent Non-Executive Director	6	2	Yes	-	1

* 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 2022-23, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

The number of Directorship, Committee Membership and 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.

Board Engagements:

a. Annual Calendar for Board & Committee Meetings: The meetings of the Board & Committees are pre-scheduled. A tentative annual calendar of the meetings is circulated to the Directors well in advance to facilitate them to plan their schedules.

b. Annual Calendar for Board Calls: Apart from the Board meetings and committee meetings, all the board calls to be held in the year were also pre-scheduled and the calendars of all the concerned persons were freezed at the start of the financial year.

c. Meetings at shorter notice & Circular Resolutions: In case of business exigencies, the Board and / or Committee's approval is taken either by holding meetings at shorter notice or through Circular Resolutions, which are noted at the subsequent meetings thereof.

Strategy Board Meeting:

At each quarterly board meeting, a specific time is allocated for strategic discussions by the company's board. Moreover, on September 22 & 23, 2022, the board organized a two-day offsite meeting dedicated to focus on future of the Company.

During this offsite meeting, the board members personally visited the company's stores as well as the other competition retail stores to gain firsthand insights into their actual growth and conditions.

In these Strategy meetings, the board members discuss and evaluate the company's long-term goals, objectives, and overall strategic direction. They analyze market trends, competitive landscape, and assess the company's performance against predetermined targets. The board also reviews and approves strategic initiatives, such as entering new markets, expanding product lines, or pursuing mergers and acquisitions etc.

Paperless Meetings

In line with our sustainability vision and with a view to reducing paper consumption and leveraging technology, a paperless mechanism of conducting Meetings was set-up in the year 2018. Since then, the Company has been disseminating all information and discussion papers through a web-based application. All the information relating to a meeting (as detailed in the section 'Information provided to / placed before the Board / Committees' above), is provided to the Directors online. The said mechanism meets high standards of security and integrity required for storage and transmission.

Matters placed before the Board

The information/matters being provided to the Board inter-alia includes:

Strategic Matters

- Defining the Long Range Plan of the Company
- Sale or purchase of investments or assets which are material in nature and not in the normal course of business
- Corporate restructuring activities including merger/ Acquisition
- Details of any joint venture or material collaboration agreement

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 including updates on CSR activities, investment and warehouse.

Finance Matters

- Quarterly results for the 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, 2023 are as follows:

Name of Director	No. of Equity Shares held*
Mr. Lalit Agarwal	12,77,275
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, it's 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, Guidance Note on Board Evaluation issued by SEBI 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").

Sl. No.	Category	Evaluation Criteria
1.	Board of Directors	Evaluation on various criteria such as board size, composition mix, skills, succession planning, onboarding of new director, agenda of meetings, board meeting and processes, board performance and reporting, strategy and risk management, external relationships, ethics & compliance, director's knowledge, induction and continuing professional development, board & management.
2.	Board Committees	Evaluation on various criteria such as size, diversity, experience, skills & expertise, policies, role understanding, role fulfillment, power, guidance, risk, recommendations, independence, duration of meeting, meeting procedure, frequency of meeting, support available.
3.	Independent Directors	Evaluation on various criteria such as participation in discussion, confidentiality & integrity, knowledge & expertise, professional development, meeting preparation, independent judgment, understanding of role and responsibilities, disqualification, unbiased opinion, compliance of COC, special initiatives, effective team members, availability for meetings, commitment.
4.	Executive Directors	Evaluation on various criteria such as participation in discussion, confidentiality & integrity, knowledge & expertise, understanding of role, disqualification, product and operational skills, business plan, financial affairs, financial targets, relationship with board, team, other stakeholder, effective organization structure, policies, provide adequate information, participation in meetings, contribution towards company's growth, availability, commitment.
5.	Chairperson	Evaluation on various criteria such as participation in meetings, confidentiality and integrity, knowledge and expertise, independent judgment, understanding of role, operations and product knowledge, adequate information, leadership, promotes constructive debate, effective communication, promotes participation of all board members, promotes shareholders confidence, ensures ease of raising issue, commitment.

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.

Outcome of board evaluation and action plan

The Board discussed the evaluation report for the FY 2022-23 at length. The Board of your company expressed its contentment with the performance of the Board and its Committees. The Committees are operating effectively and adhering to their prescribed terms of reference, as mandated by law. Additionally, significant matters are raised and deliberated upon during the Committee meetings. The Board also expressed satisfaction with the active participation and valuable contributions of directors in their respective roles, indicating a high level of engagement from each individual Director.

Action taken on outcome of last year performance evaluation

The progress on recommendations from the previous year's performance evaluation was discussed and reviewed. Based on that, the Board has taken the following steps:

a. A dedicated board meeting was organized by the Managing Director in consultation with the Chairperson to engage in strategic planning discussions wherein, the Board primary focus on identification of customers and competitors, evaluation of the significance of composite stores in V-Mart's future strategy, examination of the challenges and opportunities associated with online and omni-channel retail, balancing the company's attention between the existing business model and exploring parallel opportunities in the omni-channel space, establishment of brand positioning and differentiation and analysis of the growing trend of pre-loved garments.

b. Additionally, the company has conducted a comprehensive assessment to identify and map the skills that will be essential for the Board in the upcoming three years. This proactive approach enables the company to anticipate the evolving needs and demands of the business environment. By analyzing industry trends, market dynamics, and future strategic goals, the company has identified the specific skills and competencies that board members will need to possess to effectively steer the organization towards success. This mapping exercise serves as a strategic roadmap for talent development and acquisition, guiding the company in attracting, retaining, and nurturing individuals with the requisite skills and expertise. It ensures that the Board is equipped with the right skill set to address emerging challenges, capitalize on opportunities, and drive sustainable growth in the dynamic and competitive business landscape.

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.

Objectives of the Familiarization Program are:

- To adapt a structured programme for Orientation and Training of Independent Directors at the time of their joining.
- To update the Directors on a continuing basis on any significant changes therein so as to be in a position to take well–informed and timely decisions.

A copy of the Program has been posted on the Company's website www.vmart.co.in (https://vmart.co.in/wp-content/uploads/2022/09/FAMILIARIZATION-PROGRAMMES-FOR-INDEPENDENT-DIRECTORS.pdf)

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 executive directors. During the year under review, 1 Meeting of Independent Directors was held on November 28, 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 2022-23 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

C. 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 utilization 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) Internal audit reports relating to internal control weaknesses; and

5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

6) 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 2022-23, 4 (four) Audit Committee Meetings were held. The meetings were held on 25/05/2022, 5/08/2022, 11/11/2022 and 06/02/2023. 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, 2023 is as follows:

Name of Members	Category	Status	No. of meeting attended
Mr. Murli Ramachandran	Independent	Chairperson	4
Mr. Aakash Moondhra	Independent	Member	4
Mr. Govind S. Shrikhande	Independent	Member	4
Ms. Sonal Mattoo*	Independent	Member	1

** Ms. Sonal Mattoo ceases to be the member of the Audit Committee w.e.f. 25 May, 2022.*

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 the 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 5 (Five) times on 19/05/2022, 10/06/2022, 05/08/2022, 11/11/2022 and 24/01/2023 during the financial year 2022-23.

The composition of the Committee and details of attendance at the Meetings during the period ended March 31, 2023 is as follows:

Name of Member	Category	Status	No. of meeting attended
Mr. Govind S. Shrikhande	Independent	Chairperson*	5
Ms. Sonal Mattoo	Independent	Member	5
Mr. Murli Ramachandran	Independent	Member	5
Mr. Aakash Moondhra**	Independent	Member	1

** Mr. Govind S. Shrikhande becomes the Chairperson of the Corporate Social Responsibility Nomination & Remuneration Committee by replacing Mr. Murli Ramachandran w.e.f. 25 May, 2022.*

***Mr. Aakash Moondhra ceases to be the member of the Nomination & Remuneration Committee w.e.f. 25 May, 2022.*

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

Succession Planning for the Board and Senior Management

The company recognizes the significance of robust succession

plans for both board members and senior management in ensuring a resilient future. These plans are intricately aligned with the company's strategy and long-term objectives. To facilitate orderly succession, the company has implemented an effective mechanism that encompasses the seamless transition of directors, including executive directors, and other key positions within the senior management team. This mechanism aims to maintain a well-balanced composition of skills and expertise throughout the organization

The company has also carried out detailed evaluation of each position including various criteria of identification of successors, their readiness/development plan (which could be in the form of job rotation, exposure, coaching/mentorship, development and engagement etc). HR reviews the detailed succession plan on quarterly basis including specific listing of critical jobs, successors identified and readiness timeline/ contingency plan for each critical position. This framework now includes a larger set of critical jobs, a proposed formalized identification, coaching/mentoring and development framework as well as a roadmap for strengthening governance on talent actions/ readiness/ risk etc. The Board also reviews the succession planning framework for top critical positions and shares vital inputs to further strengthen the framework.

We firmly believes in creating a Culture of Opportunity by Developing and Nurturing Internal Talent

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 the 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 4 (four) times on 25/05/2022, 05/08/2022, 11/11/2022 and 06/02/2023 during the financial year 2022-23. The composition and attendance of Risk Management Committee during the period ended March 31, 2023 is as under:

Name of Member	Category	Status	No. of meeting attended
Mr. Murli Ramachandran	Independent	Chairperson	4
Mr. Aakash Moondhra	Independent	Member	4
Mr. Govind S. Shrikhande	Independent	Member	4
Ms. Sonal Mattoo*	Independent	Member	1

** Ms. Sonal Mattoo ceases to be the member of the Risk Management Committee w.e.f. 25 May, 2022.*

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.

With a view to strengthen (ESG) practices of the Company, the Board approved amendments in the charter of Stakeholder Relationship Committee in order to include additional responsibilities pertaining to Sustaina bility and commitment of the Company towards its various ESG initiates inter-alia formulation and adoption of an ESG roadmap of the Company.

The Stakeholders Relationship Committee has been constituted to specifically look into the redressal of Shareholders and Investors complaints, other Shareholder related issues and sharpening its focus on ESG matters. 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.
5. The Committee shall also be responsible to consider/ approval of following request from the security holders of the Company on behalf of the Board of Directors of the Company:
   a. Approval of split-up/sub-division and consolidation of shares;
   b. Approval of demat and remat requests for the shares;
   c. Approval of registration of transfers of the shares;
   d. Approval of issue of duplicate share certificates in replacement of those which are old, decrepit or worn out, or where the cages on the reverse of recording transfers have been fully utilized;
   e. Approval of issue of duplicate share certificates in replacement of those that are torn, defaced, lost or destroyed;
   f. Other necessary approval for transfer/demat/remat of shares
   g. Transfer of shares to IEPF Authority.
   h. Release of shares from the unclaimed suspense account of the Company.
   i. Registration of Power of Attorneys, Probate, Letters of transmission or similar other documents
   j. Any allied matter(s) out of and incidental to these functions and not herein above specifically provided for.
6. The Committee shall:
   a. Guide the creation of the ESG Vision & Ambitions of the company and continuously take into updates on the ESG vision and goals thereon;
   b. Ensure that the Company is taking the appropriate measures to undertake and implement actions to further its ESG vision and ambitions. The Committee shall have access to any internal information necessary to fulfill its role, in this regard;
   c. Periodically report to the Board the performance of the Company with respect to the implementation of ESG goals designed;
   d. Review the methods of communicating V-Mart's sustainability performance including approving the Sustainability Report and the ESG and Business Responsibility & Sustainability Reporting (BRSR) sections published in the Integrated Annual Report prior to publication as deem fit;
   e. Advise the Board on the aspects of diversity (including but not limited to: gender, qualifications, representation, etc.) that need to constitute the leadership committees (including the Board) of the organization in order to drive an ESG culture across all aspects of decision making;
   f. Advise the Board to enable it to discharge its responsibilities, having regard to the law and the expected international standards of sustainability and governance.

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 19/05/2022 during the financial year 2022-23. The composition and attendance of the Stakeholders Relationship Committee during the period ended March 31, 2023 is as under:

Name of Member	Category	Status	No. of Meetings attended
Ms. Sonal Mattoo	Independent	Chairperson	1
Mr. Lalit 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, 2023	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 4 (four) times on 19/05/2022, 05/08/2022, 11/11/2022 and 24/01/2023 during the financial year 2022-23. The composition and attendance of the Corporate Social Responsibility Committee are as under:

Name of Member	Category	Status	No. of Meetings attended
Ms. Sonal Mattoo	Independent	Chairperson*	4
Mr. Lalit Agarwal	Promoter Executive	Member	4
Mr. Madan Gopal Agarwal	Promoter Executive	Member	1
Mr. Aakash Moondhra	Independent	Member	4
Mr. Govind S. Shrikhande*	Independent	Member	1

** Ms. Sonal Mattoo becomes the Chairperson of the Corporate Social Responsibility Committee by replacing Mr. Lalit Agarwal w.e.f. 25 May, 2022.*

*** Mr. Govind S. Shrikhande ceases to be the member of the Corporate Social Responsibility Committee w.e.f. 25 May, 2022.*

WAREHOUSE COMMITTEE

The Board vide its Meeting dated 22nd day of January, 2021 had 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 authorized 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, finalizing, 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; To negotiate the commercials;
8. Further authorizing 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
9. 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 4 (four) times on 20/07/2022, 17/09/2022, 31/12/2022 and 27/03/2023 during the financial year 2022-23. The composition and attendance of Warehouse Committee during the period ended March 31, 2023 is as under:

Name of Member	Category	Status	No. of meeting attended
Mr. Lalit Agarwal	Managing Director	Chairperson	4
Mr. Madan Gopal Agarwal	Whole- Time Director	Member	4
Ms. Anand Agarwal	Chief Financial Officer	Member	4
Mr. Ramesh Agarwal	VP Warehouse & FMCG	Member	4

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 Rs. 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 authorized 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 finalizing the objects of the QIP and the monitoring of the same;
3. Approving, finalizing, and executing the preliminary placement document and the placement document and to approve and finalize any bid cum application form, confirmation of allocation notes, and any other documents in this regard;
4. Approving, finalizing, 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 authorized by the Board / its duly constituted committee in accordance with the memorandum of association and articles of association of the Company;
12. Further authorizing 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 4 (four) times on 19/05/2022, 05/08/2022, 11/11/2022 and 24/01/2023 during the financial year 2022-23. The composition and attendance of Investment Committee during the period ended March 31, 2023 are as under:

Name of Member	Category	Status	No. of meeting attended
Mr. Lalit Agarwal	Managing Director	Chairperson	4
Mr. Madan Gopal Agarwal	Whole- Time Director	Member	1
Mr. Govind S. Shrikhande	Independent Director	Member	4
Mr. Anand Agarwal	Chief Financial Officer	Member	4
As determined by the Company	Representative of Investment Advisors*	Member	0
As determined by the Company	Representative of Treasury & Banking Department*	Member	0

**Representatives of Investment Advisors and the Representatives of Treasury & Banking Departments ceased to be the members of the Investment Committee with effect from May 16, 2023.*

D. 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 year under review, the non-executive directors including independent directors were paid sitting fees of Rs. 1,00,000/- for attending the meeting of Board and Rs. 75,000/- for attending the meeting of Audit Committee and Nomination & Remuneration Committee each, per meeting per member.

Further, shareholders at the Annual General Meeting held on August 30, 2022 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 some or 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, if applicable.

The details of remuneration paid (including commission due as on 31/03/2023 but not paid, if any) to the Directors (including Independent Directors) for the period of 12 months ended on March 31, 2023 are given below:

(Amount in Rs. 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	-	-	-	9.75	**9.75**
Mr. Lalit Agarwal	Managing Director	98.20	-	103.35	-	**201.54**
Mr. Madan Gopal Agarwal	Whole-time Director	36.01	-	-	-	**36.01**
Mr. Murli Ramachandran	Independent Director	-	-	-	12.75	**12.75**
Ms. Sonal Mattoo	Independent Director	-	-	-	10.50	**10.50**
Mr. Govind S. Shrikhande	Independent Director	-	-	-	12.75	**12.75**

Service Contract, Severance Fees and Notice Period:

Mr. Lalit Agarwal was re-appointed as the Managing Director of the Company for a period of 5 years w.e.f. May 31, 2022 by the Board of the Company and his appointment was approved by the Shareholders of the Company at the 20th AGM held on August 30, 2022. There is no separate provision for payment of any severance fees to the Managing Director. There is a notice period of 3 (three) months from either side.

Mr. Madan Gopal Agarwal was re-appointed as the Whole-time Director of the Company for a period of 5 years w.e.f. May 31, 2022 by the Board of the Company and his appointment was approved by the Shareholders of the Company at the 20th AGM held on August 30, 2022. There is no separate provision for payment of any severance fees to the Whole-time Director. There is a notice period of 3 (three) months from either side.

E. GENERAL BODY MEETINGS

Annual General Meeting

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
2021-22	Tuesday, August 30, 2022	11:00 A.M.	Meeting held through Video Conferencing/ Other Audio Visual Means	Yes
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

Extra-Ordinary General Meeting

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.vmart.co.in.

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the 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 2022-23.

Lalit Agarwal
Managing Director

F. INFORMATION TO SHAREHOLDERS

1. **Date, time and Venue of the 21st Annual General Meeting**

   Friday, 15 September, 2023 at 11:00 A.M(IST) through Video Conferencing/Other Audio Visual Means.

2. **Financial Year**

   April 1, 2022 to March 31, 2023

3. **Date of Book Closure**

   Saturday, 9 September, 2023 to Friday, 15 September, 2023 (both days inclusive).

4. **Registered Office**
   610-611, Guru Ram Dass Nagar,
   Main Market, Opp. SBI Bank,
   Laxmi Nagar, New Delhi - 110092.

5. **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 2023-24, have been paid to all Stock Exchanges where the shares of the Company are listed.

SHAREHOLDER'S ISSUE

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

ANALYST

Analysts may schedule their conference calls and meetings with the following individuals via email ir_vmart@vmartretail.com.

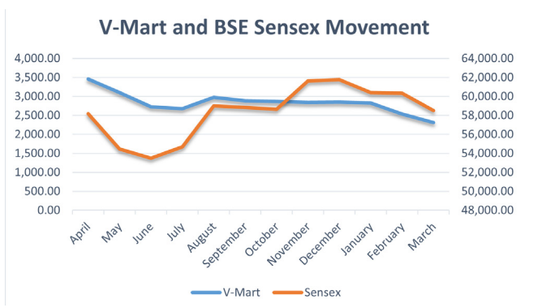
1. Mr. Lalit Agarwal, Managing Director, and
2. Mr. Anand Agarwal, Chief Financial Officer

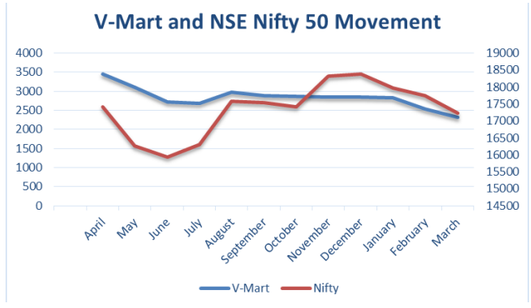
STOCK MARKET DATA

Monthly High and Low Share Price of V-Mart Retail Ltd. for the 2022-2023 at BSE and NSE

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April – 2022	4,000.00	3,149.70	3,930.00	3,148.05
May – 2022	3,426.80	2840.60	3,433.45	2,823.05
June – 2022	3,352.00	2,406.00	3,359.95	2,406.85
July – 2022	2,869.35	2,425.75	2,874.95	2,425.00
August – 2022	3,156.30	2,787.15	3,160.00	2,776.00
September – 2022	3,068.30	2,744.95	3,069.95	2,751.00
October – 2022	3,161.95	2,686.85	3,174.90	2,685.00
November – 2022	3,078.70	2,687.55	3,079.15	2,695.00
December – 2022	3,061.45	2,755.30	3,103.30	2,737.00
January – 2023	3,104.90	2,614.70	3,110.00	2,611.00
February – 2023	2,808.70	2,381.00	2,808.90	2,379.05
March – 2023	2,459.25	2,111.65	2,461.45	2,117.00

PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON TO BSE SENSEX & NSE- NIFTY



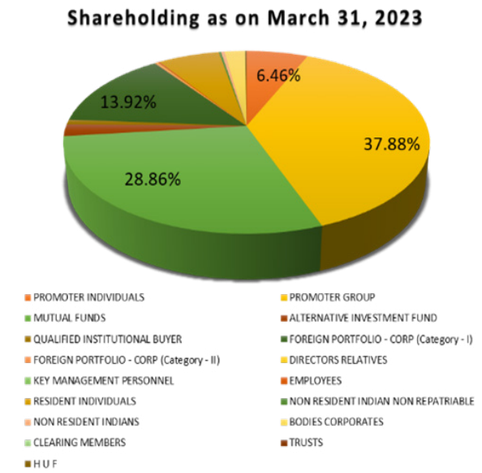


The performance comparison is based on the average closing price of the month.

SHAREHOLDING PATTERN AS ON MARCH 31, 2023

Sl. No	Description	No. of Cases	Total Shares	% Equity
1.	PROMOTER INDIVIDUALS	1	12,77,275	6.46
2.	PROMOTER GROUP	1	74,90,673	37.88
3.	MUTUAL FUNDS	18	57,06,082	28.86
4.	ALTERNATIVE INVESTMENT FUND	8	4,12,825	2.09
5.	QUALIFIED INSTITUTIONAL BUYER	2	1,72,789	0.87
6.	FOREIGN PORTFOLIO - CORP (Category - I)	84	27,51,480	13.92
7.	FOREIGN PORTFOLIO - CORP (Category - II)	8	48,856	0.25
8.	DIRECTORS RELATIVES	1	14,472	0.07
9.	KEY MANAGEMENT PERSONNEL	2	4,479	0.02
10.	EMPLOYEES	48	43,048	0.22
11.	RESIDENT INDIVIDUALS	22,612	12,75,424	6.45
12.	NON RESIDENT INDIAN NON REPATRIABLE	412	46,727	0.24
13.	NON RESIDENT INDIANS	890	72,373	0.37
14.	BODIES CORPORATES	277	4,27,154	2.16
15.	CLEARING MEMBERS	19	2,172	0.01
16.	TRUSTS	1	49	0.00
17.	H U F	379	26,585	0.13
	Total:	24,763	1,97,72,463	100.00

***PAN based data**



DISTRIBUTION SCHEDULE AS ON MARCH 31, 2023:

S. no	Category	No. of Holders*	% to holders	No. of Shares	% to Equity
1	1 - 500	24268	98.12	815418	4.12
2	501 - 1000	239	0.97	169812	0.86
3	1001 - 2000	82	0.33	113678	0.57
4	2001 - 3000	32	0.13	78363	0.40
5	3001 - 4000	20	0.08	71147	0.36
6	4001 - 5000	10	0.04	46301	0.23
7	5001 - 10000	27	0.11	189727	0.96
8	10001 - 20000	10	0.04	138124	0.70
9	20001 and above	46	0.19	18149893	91.79
	Total:	**24736**	**100.00**	**19772463**	**100.00**

*with 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

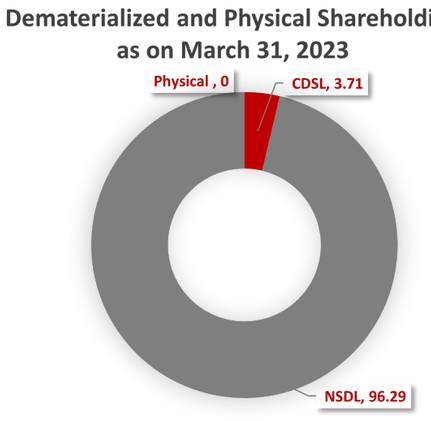
DEMATERIALISATION OF SHARES

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, 2023:

*without grouping

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	7,33,441	3.71
2	Shares held in dematerialized form in NSDL	1,90,39,020	96.29
3	Shares held in physical form	2	0.00
	Total	**1,97,72,463**	**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/ +91 40-7961 1000
Fax No.: 040 23420814
Email: reghu.veedha@kfintech.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 as on March 31, 2023:

Facility Existing	Previous Rating	Rating Reaffirmed
Long term bank limits	[ICRA] AA- (ICRA double A minus) (with sable outlook)	[ICRA] AA- (ICRA double A minus) (with positive 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.

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.

G. COMMUNICATION

BSE NSE exchange	Stock Exchanges (BSE & NSE)	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.
NEWS newspaper	Financial Express, Business Standard & Jansatta	The results were normally published in "Financial Express, Business Standard, Jansatta" Newspapers within 48 hours after the approval by the Board.
website	www.vmart.co.in.	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:
Investor Redressal System	SEBI Complaints Redress System (SCORES)	The Company makes use of this system which is a centralized database of all complaints and enables on-line upload of Action Taken Reports by the Company on complaints received, online viewing by investors of actions taken on the complaints and their current status.

The details of the publications of the financial results in the year along with the trading window closure are as under:

Description	Result Declaration Date	Date of Publication	Trading Window Closure
Unaudited financial results for the first quarter ended June 30, 2022	August 05, 2022	August 06, 2022	July 1, 2022 till August 08, 2022
Unaudited financial results for the second quarter and the half year ended September 30, 2022	November 11, 2022	November 12, 2022	October 01, 2022 till November 14, 2022
Unaudited financial results for the third quarter and the nine months ended December 31, 2022	February 06, 2023	February 07, 2023	January 01, 2023 till February 09, 2023
Audited financial results for the fourth quarter and the year ended March 31, 2023	May 16, 2023	May 17, 2023	April 01, 2023 till May 19, 2023

Investors / Analyst Meets, events

The Company accommodates calls or meetings with institutional investors on request. Post the quarterly results, an analyst meet/ call is organized to facilitate Management's response to investors' and analysts' queries and provide clarifications. To ensure a diverse shareholder base in terms of geographical location and investment horizon, the Company maintains interactions with various funds and investors.

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 as needed. Additionally, the Company also conduct its Annual General Meeting, which is accessible to all the shareholders.

SUBSIDIARY COMPANIES

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

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.

PRACTICING 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 Corporate Governance 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.

The Audit Committee and the Board at their meeting held on May 16, 2023 approved the re-appointment of S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) as the statutory auditors for a second term of five (5) years i.e. from the conclusion of the 21st AGM held for the financial year 2022-23 till the conclusion of 26th AGM held for the financial year 2027-28. The necessary resolution(s) seeking the approval of the shareholders for their appointment as statutory auditors is included in the notice of the 21st AGM along with other necessary disclosures required under the Act and the Regulations.

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 2022-23 (Amount in lakhs)
Audit Fees	53.20
Tax Audit Fee	2.00
Reimbursement of expenses (excluding taxes)	3.49
Total	**58.69**

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.

H. 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://vmart.co.in/wp-content/uploads/2023/07/Related-Party-Transaction-Policy.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- (http://vmart.co.in/wp-content/uploads/2022/09/V-Mart-Materiality-Policy.pdf).

Details of recommendation of any Committee of the Board not accepted by the Board and reasons thereof

During the year under review, the Board of your Company has accepted all the recommendations made by its Committee(s), from time to time.

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 Directors 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 believes in the conduct of the affairs of its various constituents fairly and transparently by committing the highest standards of professionalism, honesty, integrity and ethical behavior. In line with this commitment, This Vigil Mechanism/ Whistle Blower Policy ("the Policy") has been formulated to provide a mechanism for all stakeholders, including Directors, Employees, Customers, Vendors, Associates and Suppliers of the Company to raise concerns about suspected frauds, any violations of legal/regulatory requirements or code of conduct/ policy of the Company, incorrect or misrepresentation of any financial statements and reports, etc.

This Policy is to encourage V-Mart's stakeholders who have concerns about suspected misconduct to come forward and report any actual or potential unethical practices in violation of the code of conduct or the applicable laws, without fear of retaliation, punishment or unfair treatment.

The policy provides a mechanism whereby whistle-blowers 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.vmart.co.in (https://vmart.co.in/corporate-governance/)

DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH QUALIFIED INSTITUTIONS PLACEMENT

The Shareholders' of the Company in their 18th Annual General Meeting, had 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 Rs. 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 Rs. 10/- each at price of Rs. 2,450/- per equity share aggregating to Rs. 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.

The proceeds of funds raised under Qualified Institutional Placement of the Company are utilized as per Objects of the Issue. From the raised total of Rs. 375 Crores, Rs. 5 Crores were allocated towards QIP expenses, and the remaining balance of Rs. 370 Crores has been fully utilized as of December 31, 2022.

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:

- **Acquisition of LimeRoad (LR):** V-Mart Retail Limited ("Company") has entered into a business transfer agreement dated 17th October, 2022 ("Business Transfer Agreement") with A.M. Marketplaces Private Limited ("LimeRoad") and certain other parties for the acquisition of its LimeRoad Business, as a going concern, on a slump sale basis, for a lump sum consideration.
- **Shareholders' Rights/Information:** The Company has adopted the policy of sending quarterly financial results to shareholders at their registered email ids. Further, information like financial results, official news releases, press releases, presentations to analysts etc. is displayed on the Company's website. i.e. www.vmart.co.in
- **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 already published its first Business Responsibility and Sustainability Report for the FY 2021-22 and the same will be published for the FY 2022-23 on the website of the Company at www.vmart.co.in.
- **Reclassification of Promoters:** The Company had submitted an application seeking re-classification of Hemant Agarwal, Hemant Agarwal HUF and Smiti Agarwal (Promoter & Promoter Group) to both the exchanges. In this regard, the Company has received the Approval letter on 23rd January, 2023 from both the Stock Exchange for the Re-classification of the aforementioned shareholders of the Company from Promoters and Promoter Group to "Public Category".
- **Separation of Role of Chairperson and Managing Director:** 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.
- **Chairperson Independence:** The chairperson of the company holds the position of an independent chairperson. Hence, having an independent chairperson reinforces the principles of good corporate governance, ensures effective oversight, and contributes to the company's credibility, integrity, and long-term sustainability.
- **Diversity:** The Company values diversity and inclusivity in top management, considering versatile backgrounds, experiences, and gender to foster better decision-making. It recognizes the significance of diverse perspectives, including gender diversity, in driving effectiveness and organizational success.
- **Transparency:** Transparency is a core value for the Company, and trust is built through regular and authentic communication. Stakeholders along the value chain receive

sufficient information using various tools like certifications, labels, ratings, and disclosure platforms, including engagements such as meetings, conference calls, reports, and websites.

- **Standard Operating Procedures (SOPs):** The Company has implemented a range of SOPs that offer detailed instructions for performing routine activities. By following SOPs consistently, the organization ensures compliance with industry regulations and business standards while promoting consistency. These SOPs encompass policies, processes, and standards essential for the Company's success. The benefits of these SOPs include error reduction, increased efficiency and profitability, a safe work environment, and guidelines for issue resolution and overcoming obstacles. The Company has prepared a total of 155 SOP's covering various aspects of operations which have been audited based on which a total of 982 stores audits have been conducted in the FY 2022-23.

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, 2023. 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 are 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: F011088E000434049
UDIN GENERATION DATE: 31.05.2023
Date of Signing: 31.05.2023| 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, 2023, 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 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 Shridhar 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 of enabling the Company to comply with the requirement of the SEBI Listing Regulations, 2015. It should not be used by anyone or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or 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: F011088E000434027
UDIN GENERATION DATE: 31.05.2023
DATE OF Signing 31.05.2023| 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 Sir/Ma'am,

We hereby certify that:

(a) We have reviewed the financial statements and cash flow statement for the fourth quarter and year ended on 31st March, 2023 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 and the year 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 and year;

ii. significant changes in accounting policies during the quarter & year 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 Agarwal
Managing Director

Sd/-
Anand Agarwal
Chief Financial Officer

Place: Gurugram
Date: 15th May, 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

[under 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
8	Website	www.vmart.co.in
9	Financial year for which reporting is being done	Financial Year 2022-23 (01st April 2022 to 31st March 2023)
10	Name of the Stock Exchange(S) where shares are listed	NSE (National Stock Exchange of India Limited) and BSE Limited
11	Paid-up Capital	₹19,77,24,630 (Nineteen Crores Seventy-Seven Lakhs Twenty-Four Thousand Six Hundred and Thirty 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	Ms. 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 pertain only to V-Mart Retail Limited.

II. Products/ Services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Trading of Fashion Retail	Apparel	79
		Non-Apparel	11
2	FMCG	Retail Trading of FMCG	10

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):*

S. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Apparel	47711	79
2.	Non-Apparel	47711	11
3.	Retail Trading of FMCG	47110	10

III. Operations

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

Location	Number of Plants	Stores covered	Number of Offices and Warehouses	Total
National	Na*	423 locations (273 Cities)	9	432
International**	-	-	-	-

*The Company has 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)	26 States*
International (No. of Countries)	-

*26 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: -

Our company embraces a "Value Retailing" approach, catering to the discerning needs of budget-conscious and style-aware consumers by offering seamless shopping experiences through both our user-friendly online platform and our well-established network of physical stores who are living in Tier II, III, and IV cities across India.

Our business model is strategically designed to match the rising aspirations of the rapidly expanding middle-class families and young adults, providing them with access to affordable yet high-quality fashion choices.

IV. Employees

18 Detail at the end of the Financial Year: 2022-23

a. Employees and workers (including differently abled):

S. No.	PARTICULARS	TOTAL (A)	MALE No. (B)	MALE % (B/A)	FEMALE No. (C)	FEMALE % (C/A)
	Employees					
1	Permanent (D)	9333	7082	76	2251	24
2	Other than permanent (E)	590	381	65	209	35
	Total employees (D+E)	9923	7463	75	2460	25
	Workers					
1	Permanent (F)					
2	Other than permanent (G)		NA			
	Total employees (F+G)					

Notes: - The permanent employee includes the company's headcounts, such as Directors or KMPs.

b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male No. (B)	Male % (B/A)	Female NO. (C)	Female % (C/A)
	Differently Abled Employees					
1	Permanent (D)	121	97	80	24	20
2	Other than Permanent (E)	23	16	70	7	30
	Total Differently Abled Employees (D + E)	144	113	78	31	22
	Differently Abled Workers					
1	Permanent (F)					
2	Other than Permanent (G)			NA		
	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 BOD)***	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- 2022-23			FY- 2021-22			FY- 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	67%	62%	66%	44%	41%	44%	42%	39%	41%
Permanent Workers		NA			NA			NA	

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

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

S.No.	Name of the Holding/ Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	No. Of shares held by Listed Entity	Does the entity indicate in the column A participant in the Business Responsibility Initiatives of the Listed Entity? (Yes/ No)
-		NA		

Note: - As of 31.03.2023, 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
	(ii) Turnover (in Rs.)	2,46,484 (Lakhs)
	(iii) Net Worth (in Rs.)	84,900 (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 (NGRBC):

Stakeholders group from whom complaint is received	Grievance redressal mechanism in place (yes/ no) (If yes, then provide the web link for grievance redressal policy)	FY- 2022-23 Current Financial Year: Number of complaints filed during the year	FY- 2022-23 Current Financial Year: Number of complaints pending resolution at the close of the year	FY- 2022-23 Current Financial Year: Remarks	FY-2021-22 Previous Financial Year: Number of complaints filed during the year	FY-2021-22 Previous Financial Year: Number of complaints pending resolution at the close of the year	FY-2021-22 Previous Financial Year: Remarks
Communities	-	-	-		-	-	-
Investors (other than shareholders)	NA		NA			NA	
Shareholders	Yes, https://vmart.co.in/wp-content/uploads/2023/07/Investor-Grievance-Redressal-Policy.pdf, and https://vmart.co.in/wp-content/uploads/2023/07/Stakeholder-Engagement-Policy.pdf	NIL	No complaints received		NIL	NIL	No complaints received
Employees	Yes, https://vmart.co.in/wp-content/uploads/2023/07/Stakeholder-Engagement-Policy.pdf	98	NIL		19	NIL	Related to Inappropriate behaviour, Misconduct, and Workplace harassment.
Customers	Yes, https://vmart.co.in/wp-content/uploads/2023/07/Stakeholder-Engagement-Policy.pdf and https://vmart.co.in/contact/	1,34,359	843	The Company had resolved all the complaints within time.	89,362	NIL	The Company had resolved all the complaints within time.
Value chain partners	Yes, https://vmart.co.in/wp-content/uploads/2023/07/Stakeholder-Engagement-Policy.pdf	Nil	No complaints received		NIL	NIL	No complaints received
Other (please specify)	-	-	-	-	-	-	-

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

Indicate material responsible business conduct and sustainability issues about 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	Empowering Workforce: Engaging and Developing Talent	O&R	Opportunities: Prioritizing employee engagement and talent management opens doors for the company and building a diverse workforce boosts talent attraction and productivity. Training programs, including vocational and soft skills development, as well as talent succession planning and sabbaticals, empower employees and enhance performance. Initiatives to promote employment and empower women entrepreneurs generate social impact and access new talent pools. Seizing these opportunities while addressing risks ensures success, top talent attraction, and sustainable growth. Risk: Inadequate employee engagement and a lack of focus on talent management may threaten the company's growth and competitiveness. High attrition rates among key and high-performing employees can impede progress and hinder the company's ability to reach its objectives .	Our focus on creating a positive work environment, supporting employee well-being, and offering development opportunities results in a highly satisfied and motivated workforce. We build a strong employer brand, attract and retain top talent who align with our values and goals. Our talent management programs identify high-potential employees, provide them with tailored development plans and ensure a smooth transition during succession planning. By fostering a culture of continuous learning and promoting communication and collaboration, we unlock our employees' full potential and harness their diverse perspectives for innovative problem-solving. Additionally, our performance management system recognizes and rewards the exceptional contributions of our high-performing employees	Positive: By investing in enhancing employee experience and work-life balance, we can drive superior outcomes that directly impact the satisfaction of our team members and customers. A positive and engaging work environment will foster higher productivity, collaboration, and overall job satisfaction, leading to improved customer experiences and loyalty. Negative: It is important to acknowledge that there may be an associated increase in costs for onboarding and nurturing our human capital. However, the long-term benefits of attracting and retaining top talent, reducing turnover, and cultivating a high-performing workforce outweigh these initial costs. The investment in our employees' growth and well-being will ultimately yield greater returns and contribute to the overall success of our company.
2	Community Development and CSR	O	Our company actively engages in various Environmental & Social activities, driven by a commitment to positively impact society and the environment through enduring and impactful initiatives. Our mission is to create value and generate a sense of pride within the ecosystem. Giving back to society is deeply rooted in our corporate philosophy Key areas of CSR activities are as follows : ● Social Empowerment ● Entrepreneurship & skill development ● Education ● Environment ● Grant/ Funding	Kindly refer to the Annual Report 2021-22 –Report on Corporate Social Responsibility Activities for further details.	Positive: The Company strongly emphasizes social responsibility and acknowledges the significance of contributing to the betterment of disadvantaged individuals and communities. We understand our role in uplifting those in need and are committed to making a positive impact through our initiatives.
3	Cyber & Information Security	R	The increasing prevalence of cyber-attacks and sophisticated social engineering techniques poses a significant risk to the security of both the Company's and our customer's data. Failing to effectively prevent, detect, and respond to security threats could result in losing valuable information and exposing us to potential reputational damage.	We implement key data security and privacy controls, including user awareness training, proactive monitoring of vulnerabilities, and contractual covenants with third parties. Our comprehensive measures ensure non-disclosure, data protection, and compliance with privacy regulations, safeguarding sensitive information from cyber threats and potential reputational risks.	Negative: The potential for loss of critical information presents a significant risk, which could result in financial losses, regulatory fines, and penalties.

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)
4	Reducing Waste and Conserving Resources	O	At our head office and warehouse, we are implementing solutions to monitor and control temperatures, leading to electricity savings. To promote environmental sustainability, we actively reduce and reuse plastic by adopting 100% biodegradable corn bags for packaging and implementing plastic recycling initiatives. These efforts not only contribute to cost savings but also conserve natural resources. Moreover, we prioritize waste recycling to minimize our environmental impact further and support conserving valuable resources.	We encourage & promote sustainable and responsible sourcing practices. Furthermore, we strive to conserve energy by leveraging technology and implementing efficient HVAC systems. These initiatives help us minimize our environmental footprint and contribute to a more sustainable future.	Positive: Cost savings initiatives in material procurement and energy expenses by reducing waste, we can maximize the utilization of resources. Energy conservation measures can also reduce utility bills, resulting in long-term cost savings.
5	Innovation and Digitalization	O	The rapid emergence of digital technologies, analytics, and big data offers exciting opportunities for transformative change. These advancements present a chance to make meaningful interventions and enhance capabilities throughout our value chain, reshaping how we conduct business. By building digital capabilities in our systems, workforce, and business models, we can ensure the future readiness of our operations and adapt swiftly to evolving stakeholder demands. Embracing digital transformation empowers us to innovate, foster agility, and effectively meet the ever-changing needs of our stakeholders.	To pre-empt disruption, we have established a robust digitalization agenda. This includes leveraging Cloud, AI, ML, and other technologies for our core ERP platform. We focus on building systems, workforce, and business model capabilities, emphasizing external partnerships with IT companies and industry bodies. Our digitally enabled talent pool is a future fit for riding the wave of digital transformation. By embracing digitalization, we stay agile, enhance skills, and forge innovative collaborations to seize opportunities in the evolving landscape.	Positive: Positive: We actively pursue strategies to ensure our operations remain future-fit and drive efficiencies throughout the organization. By embracing digital transformation and leveraging emerging technologies, we enhance our ability to adapt, optimize processes, and improve efficiency. This proactive approach enables us to stay agile in a rapidly evolving business landscape while building capabilities to meet future challenges.
6	Ethics and Compliance	O&R	Opportunities: Prioritizing ethics and compliance presents valuable opportunities for the retail company. Demonstrating a steadfast commitment to ethical conduct and regulatory compliance enhances the company's reputation and fosters trust among stakeholders. Implementing robust internal controls and ethical guidelines helps mitigate risks and prevent costly incidents. By nurturing a culture of integrity and compliance, the company can attract and retain customers, employees, and investors who value ethical practices. Seizing these opportunities ensures sustainable success, a positive brand image, and unwavering stakeholder loyalty. Risk: Insufficient adherence to ethics and compliance standards poses a significant risk to the retail company. Non-compliance with regulations and ethical misconduct can result in severe consequences, including legal penalties, reputational harm, and erosion of stakeholder trust. Failure to address these risks adequately may lead to financial losses and jeopardize the company's long-term viability.	We have established clear policies and guidelines, provide comprehensive training, and implement internal controls. Encourage reporting of concerns and maintain a culture that supports whistleblowing. Conduct regular audits, hold individuals accountable for non-compliance, and seek guidance from external experts. Foster open communication and continuously improve compliance programs based on industry trends. The company can proactively manage risks, uphold ethical standards, and ensure legal compliance by adopting these measures. This approach creates a culture of integrity, protects the company's reputation, and sustains long-term success in the retail industry.	Positive: It ensures adherence to laws and regulations, bolstering the company's reputation as a responsible and trustworthy organization. This, in turn, can lead to increased customer loyalty, positive brand perception, and improved business opportunities. Internal controls and monitoring mechanisms enhance operational efficiency, enabling effective resource allocation and streamlined operations. Negative: Failure to effectively mitigate ethics and compliance risks in a retail company can have negative consequences. Non-compliance with regulations may result in legal penalties, fines, and litigation, causing financial strain and reputational damage. Negative incidents, such as unethical behavior or compliance breaches, can tarnish the company's reputation, leading to decreased customer trust and difficulties in attracting and retaining top talent. Inadequate risk mitigation can disrupt operations, causing inefficiencies and increased costs, impacting the company's ability to meet customer demands and maintain competitiveness.

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.

S.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 Ethics Framework, 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.
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 are 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 Ethics Framework
- https://vmart.co.in/wp-content/uploads/2023/07/V-Mart-Ethics-Policy.pdf

(b) V-Mart Whistler Blower Policy
- http://vmart.co.in/wp-content/uploads/2023/07/Whistle-Blower-Policy.pdf

(c) Code of Conduct for Director and Senior Management
- http://vmart.co.in/wp-content/uploads/2022/09/Code-of-Conduct-KMP.pdf

(d) V-Mart- Environmental, Health and Safety Policy
- http://vmart.co.in/wp-content/uploads/2022/09/Environmental_Health_Safety_Policy_1.pdf

(e) V-Mart Human Right Policy
- http://vmart.co.in/wp-content/uploads/2022/09/Human_rights_Policy.pdf

(f) Prevention of Sexual Harassment Policy
- http://vmart.co.in/wp-content/uploads/2023/07/Prevention-of-Sexual-Harassment-Policy.pdf

(g) V-Mart CSR Policy
- http://vmart.co.in/wp-content/uploads/2022/09/CSR-Policy.pdf

(h) V-mart Stakeholders Engagement
- http://vmart.co.in/wp-content/uploads/2022/09/V_mart_-_stakeholder_engagement.pdf

(i) V-Mart Delivering value to Customers
- http://vmart.co.in/wp-content/uploads/2022/09/V_mart_-_Delivering_value_to_customers.pdf

(j) V-Mart Public Influencing & Regulatory Policy
- https://vmart.co.in/wp-content/uploads/2023/07/V-Mart-Public-Influencing-Regulatory-Policy.pdf

(k) V-Mart Policy on Sustainable Sourcing
- http://vmart.co.in/wp-content/uploads/2022/09/Sustainable_Sourcing.pdf

(l) V-Mart Policy on investor grievance redressal Policy
- http://vmart.co.in/wp-content/uploads/2022/09/Investor_grievance_redressal_Policy_2_1.pdf

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*):

Our Company prioritises ethics, responsibility, and sustainability in all operations. We strive to exceed societal and governmental expectations while putting stakeholders first. Despite lacking manufacturing facilities, we work diligently to positively impact the environment. Energy conservation, waste management, efficient supply chains, and eco-friendly practices are key focuses. Setting clear ESG Goals guides our sustainable business structure. We prudently use natural resources to minimize environmental impact, securing our long-term viability while preserving the ecosystem for future generations. By integrating sustainability into our core values, we lead by example and contribute to a more sustainable world.

8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (les):

S. No.	Particulars	Detail
1	DIN Number, if applicable	00900900
2	Name	Mr. Lalit 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 the Stakeholders Relationship Committee of the Board.

10 Details of review of NGRBCs by the company: -

Subject for Review	Indicate whether review was undertaken by the Director/ Committee of the Board/ any other committee									Frequency (Annually/Half-Yearly/ Quarterly/ any other-please specific)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against the 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 (frequency is according to the policy's inherent nature) 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.								

11

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 the 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 Key managerial personnel	During the year, the Board of Directors and Key Managerial Personnels of the Company invested time on various updates comprising matters relating to an array of issues pertaining to the business, regulations, economy & environmental, social and governance parameters.		
Employees other than bod and kmps	3	Code of Conduct Company Values POSH	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 based on 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 rs.)	Brief of the case	Has an appeal been preferred (yes/no)
Pen/ 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 rs.)	Brief of the case	Has an appeal been preferred (yes/no)
Imprisonment	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil

3 Of the instances disclosed in question 2 above, details of the appeal/ revision preferred are in cases where monetary or non-monetary action has been appealed.

Case detail	Name of regulatory/ enforcement agency/ judicial institution
NA	

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 contain 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 Framework: (https://vmart.co.in/wp-content/uploads/2023/07/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-2022-23 Current Financial Year	FY-2021-22 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 about conflict of interest:

	FY-2022-23 Current Financial Year		FY-2021-22 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 2022 or FY 2023.

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 value of business done with such partner) under the awareness programme
3*	- Maintain Harmonious Vendor Relationship - Solicitation, Bribery and Corruption - Providing and receiving gifts and entertainment - Employee conduct - Work ethics	100

*During the year the company has conducted the awareness programmes for value chain partners on Code of Conduct, Company's Values and Prevention of Sexual Harassment

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.

1) 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, in such manner as prescribed.

Further, every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement entered into or to be entered into –

(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 a Director is a Partner, Owner or Member, as the case may be, 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 meetings.

The details of the aforesaid transactions are also entered into a register prescribed for the purpose under the Companies Act, 2013 and placed before the Board for noting.

2) 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 products 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	NA
CAPEX	Nil	Nil	NA

- The Company is not into any manufacturing activity and doesn't incur any R&D expenditures.

2a. Does the entity have procedures in place for sustainable sourcing? (Yes/no)

Our company is deeply committed to sustainability, aiming to become a leader in sustainable fashion and generate value for all stakeholders. We prioritise sustainability in every aspect of our business decisions throughout the entire ecosystem. Our focus includes sustainable sourcing, eco-friendly operations, responsible product packaging, optimised poly bags, and eco-friendly dying processes. Notably, we have taken steps to reduce water consumption during denim production. All our products adhere to at least one sustainable attribute as per our company's code of conduct. Our unwavering dedication to sustainability underscores our efforts to make a positive impact on the environment and society, contributing to a greener and more sustainable future.

b. If yes, what percentage of inputs were sourced sustainably?

46%

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 endeavours 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 is 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 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					

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-2022-23 Current Financial Year	FY-2021-22 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 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-2022-23 Current Financial Year			FY-2021-22 Previous Financial Year		
		Re-Used	Re-Cycled	Safely Disposal	Re-Used	Re-Cycled	Safely Disposal
*Plastic (Including Packaging)		NA	15 MT	2.29 MT	NA	291 MT	-
**E-Waste		NA	NA	-	NA	NA	-
Hazardous Waste		NA	NA	NA	NA	NA	NA
Other Waste	#Cartons	288000 Boxes	75 MT	-	851 MT	2274 MT	-
	Bopp	-	-	-			

5 Reclaimed products and their packaging materials (as 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	7082	7082	100	7081	100	-	0	2768	39	NA	NA
Female	2251	2251	100	2251	100	2251	100	-	0	NA	NA
Total	9333	9333	100	9333	100	2251	100	2768	39	NA	NA
Other Than Permanent Employees											
Male	381	-	0	-	0	-	0	-	0	NA	NA
Female	209	-	0	-	0	-	0	-	0	NA	NA
Total	590	-	0	-	0	-	0	-	0	NA	NA

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		NA									
Total											
Other Than Permanent Workers											
Male											
Female		NA									
Total											

Not Applicable because of no manufacturing facility.

2 Details of retirement benefits for current financial year and previous financial year.

Benefits	FY-2022-23 Current Financial Year			FY-2021-22 Previous Financial Year		
	No. Of employees covered as A % of total employeess	No. Of employees 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 employees covered as A % of total workers	Deducted And Deposited With The Authority (Y/N/N.A.)
PF	**100**	**NA**	**Yes**	100	NA	Yes
Gratuity	**100**	**NA**	**Yes**	100	NA	Yes
ESI	**85**	**NA**	**Yes**	90	NA	Yes
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.

Few stores are accessible for easy movement of differently abled people. Malls located in south zone elevators and infrastructure for differently abled people.

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: https://vmart.co.in/wp-content/uploads/2023/07/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	-	-	NA	
Female	100	56		
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-2022-23 Current Financial Year			FY-2021-22 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		NA			NA	
Male						
Female						
Total permanent workers		NA			NA	
Male						
Female						

8 Details of training given to employees and workers:

Category	FY-2022-23 Current Financial Year					FY-2021-22 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	7463	7463	100	7303	98	6742	6742	100	6404	95
Female	2460	2460	100	2299	92	1918	1918	100	1763	92
Total	9923	9923	100	9602	97	8660	8660	100	8167	94
WORKERS										
Male						NA				
Female										
Total										

9 Details of performance and career development reviews of employees and workers:

Category	FY-2022-23 Current Financial Year			FY-2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES						
Male	7463	6094	82	6742	5194	77
Female	2460	1898	77	1918	1479	77
Total	9923	7992	81	8660	6673	77
WORKERS						
Male						
Female				NA		
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 of 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 to ensure that all the employees are aware of 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 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 employees of the Company have access to non-occupational medical and healthcare services. The below policies have been formulated for the betterment of all employees.

- Group Personal Accident Policy
- Health Insurance Policy
- Group Term Life Insurance Policy
- Contingency Loan Policy (For Medical Emergencies)

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-2022-23 Current Financial Year	FY-2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one-million person hours 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 to 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-2022-23 Current Financial Year			FY-2021-22 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	-	-	-	-	-	-

14 Assessments for the year:

	% Of your plants and offices that were assessed (By 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.

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 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 our Company's location. The Company also encourages 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-2022-23 Current Financial Year	FY-2021-22 Previous Financial Year	FY-2022-23 Current Financial Year	FY-2021-22 Previous Financial Year
Employees	-	-	-	-
Workers	NA	NA	NA	NA

No incidents were reported during F.Y. 2022-23 & 2022-21 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 code of conduct policy 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 THEIR STAKEHOLDERS

ESSENTIAL INDICATORS

1 Describe the processes for identifying key stakeholder groups of the entity.

The company evaluates and classifies relevant stakeholders based on inclusivity, materiality, responsiveness, impact, interests, expertise on important matters, level of influence, integrity, willingness, and expectations. Our stakeholder groups are directly or indirectly affected by the company or have the ability to influence value creation in the short, medium, or long term. The company has identified its stakeholders and maintains regular and effective communication with them. Key categories of stakeholders include customers, vendors, suppliers, employees, shareholders, investors, government and regulatory authorities, and the wider community. The company has established effective systems to address grievances for customers, employees, and shareholders. Furthermore, the company undertakes special initiatives to engage with marginalized stakeholders as part of its corporate social responsibility efforts

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as a 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-mails	**Continuous:** V-Mart website; Grievance redressal, Corporate Corner, Notice Board
Shareholders	No	Meetings, Notices, Annual Reports, E-mails	**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-Mails	**Continuous:** Investors page on the website of the Company, Conference calls
Customers	No	E-mails, SMS, Website, social media, Advertisements	**Continuous:** V-Mart website; social media (LinkedIn, Twitter, Facebook) **Quarterly:** Customer satisfaction survey
Communities	Yes	E-mails, SMS, Website, social media, Advertisements	**As needed:** Transactional meetings; periodic reviews; surveys.
Vendors	No	Meetings, E-mails	Need Basis
Regulators	No	Meetings	**As needed:** Conferences; summits
Government Agencies	No	Meetings	**Continuous:** V-Mart Website
Media	No	Interviews	**Continuous:** V-Mart Website

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 licences and minimise 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 organisations. • 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 behaviour 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, and how is feedback from such consultations provided to the board.**

The Company maintains regular and authentic communication with its stakeholders, which is indispensable for building trust. The Company communicates with its stakeholders on ESG and other vital topics via its website and shares information about the Company's performance through the annual report, on a half-yearly and every quarter.

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, staff notices, Townhall and newsletters 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.

In every Board Meeting, the Board is informed about the feedback received from various stakeholders and the proposed and planned initiatives to be considered by our 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 the policies and activities of the entity.**

Our Senior Executives monitor and evaluate their departments and ensure that stakeholders are engaged on all issues recognized as material. The Company seeks opinion from its stakeholders and overhauls its polices when required. Further, the company had also launched a Shareholders satisfaction Survey to receive the inputs from them.
Furthermore, 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 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 marginalised segment of society.

- Co-founded Plaksha University - providing higher education to students
- Ekal Vidyalaya - Education for children in rural/ tribal areas and livelihood opportunity to village youths by providing them teaching opportunity
- Community Initiatives (Girls Ashram - MK Foundation, Karma Animal Foundation, Hare Krishna Movement, Assam Flood Relief Initiative)
- 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:**

	FY-2022-23 Current financial year			FY-2021-22 Previous financial year		
Category	Total (a)	No. Of employees/workers covered (b)	% (B/a)	Total (c)	No. Of employees/workers covered (d)	% (D/C)
			Employees			
Permanent	9333	8075	87	8167	3400	42
Other than permanent	590	478	81	493	470	95
Total employees	9923	8553	86	8660	3870	45
			Workers			
Permanent						
Other than permanent			NA			
Total workers						

2- **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY-2022-23 Current Financial Year					FY-2021-22 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	7082	3392	48	3690	52	6404	3183	50	3221	50
Female	2251	1256	56	995	44	1763	1031	58	732	42
				Other than permanent						
Male	381	306	80	75	20	338	323	96	15	4
Female	209	159	76	50	24	155	145	93	10	7
				WORKERS						
				Permanent						
Male										
Female				NA						
				Other than permanent						
Male										
Female				NA						

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	1,275,000	1	1,050,000
KMPs	3	1,228,300	1	93,000
Employees other than BODs and KMPs	7460	119,004	2459	116,916
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 Head-Human Resource oversees the human resources function in the Company.

In addition, the Ethics Committee 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.
The Company is committed to maintain a safe and harmonious business environment and workplace for everyone, irrespective

of the ethnicity, region, sexual orientation, race, caste, gender, religion, disability, work, designation and such other parameters. The Company believes that every workplace shall be free from violence, harassment, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats. Accordingly, the Company has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity.
The Company also has zero tolerance towards all forms of child labour, violence or physical, sexual, psychological or verbal abuse. 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 whistle blower 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-2022-23 Current Financial Year			FY-2021-22 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	5	Nil	Complaints Resolved	2	Nil	Complaints Resolved
Discrimination at Workplace	-	-	-	-	-	-
Child Labor	-	-	-	-	-	-
Forced Labor/ Involuntary Labor	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other Human Rights-Related Issues	46	Nil	Complaints Resolved	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 Labour	The company complies with all the applicable laws, And assessed 100% of stores, offices and workplaces.
Forced Labour/ Involuntary Labour	
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 INDICATORS

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?**

Many stores are equipped to accommodate the mobility needs of people with disabilities. The malls in the southern zone also have infrastructure and elevators specifically designed for individuals with disabilities.

4- **Details on assessment of value chain partners**

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labor	No assessment was conducted. However, the Human Rights Policy available on the website contain provision against the opposition of Child labour which is applicable on the Company including employees, consultant, independent contractors & suppliers
Forced labor/ involuntary labor	The vendors are contractually bound to comply with the aforesaid requirement. Further, our Company conducts periodic checks in respect of the brand staff to ensure compliance.
Sexual harassment	
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 are in the following format:**

Parameter	FY-2022-23 Current Financial Year	FY-2021-22 Previous Financial Year
Total Electricity Consumption (KWH)(A)	5,49,89,577 (kwh) / 197,962 GJ	3,71,64,486.4 (kwh)/ 1,33,792.15104 GJ
Total Fuel Consumption (in Litres) (B)	13,60,416 (Litres)/ 46,526 GJ	11,57,735.7 (Litres)/ 39,594.6 GJ
Energy Consumption through other sources (C)	NA	NA
Total Energy Consumption (A+B+C)	244,488 GJ	1,73,386.7 GJ
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupee)	0.99 GJ / Lakh Rs.	1.05 GJ/Lakh Rs.
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, the Retail sector does not come under the Energy intensive industry, so it does not fall under 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-2022-23 Current Financial Year	FY-2021-22 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	NIL	NIL
(ii) Groundwater	4720.56(KL)	4,551.89 (KL)
(iii) Third-party water	NIL	NIL
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	NIL	NIL
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4720.56(KL)	4,551.89 (KL)
The total volume of water consumption (in kilolitres)	4720.56(KL)	4,551.89 (KL)
Water intensity per rupee of turnover (Water consumed / turnover)	0.019 KL/Lakh Rs.	0.0273 KL/Lakh Rs.
Water 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.

4. **Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.**

We are implementing STP at the Palwal warehouse, which is currently undergoing construction and is anticipated to be operational soon.

5. **Please provide details of air emissions (other than GHG emissions) by the entity in the following format:**

Parameter	Please Specify Units	FY-2022-23 Current Financial Year	FY-2021-22 Previous Financial Year
NOx	Tones	271.40	231
SOx	Tones	458.30	390
Particulate Matter (PM)	Tones	18.80	16
Persistent Organic Pollutants (POP)	-	-	-
Volatile Organic Compound (VOC)	-	-	-
Hazardous Air Pollutants (HAP)	-	-	-
Others- Please Specify **(Carbon and Its Compounds)	Tones	472.40	402

** Carbon and its compounds: - Methane, Carbon Dioxide, Carbon Monoxide, 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.

6. **Provide details of greenhouse gas emissions (scope 1 and scope 2 emissions) & their intensity in the following format:**

Parameters	Units	FY-2022-23 Current Financial Year	FY-2021-22 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	473MT	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	45,091 MT	-
Total scope 1 and scope 2 emissions per rupees of turnover		0.1848558 MT / Lakhs (Rs)	0.0024126 MT/Lakh (Rs)
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 CO_2 Equivalent; we don't have a breakup into other gases like CH_4, $N2_0$ 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 utilisation.

8. **Provide details related to waste management by the entity in the following format:**

Parameter	FY-2022-23 Current Financial Year	FY-2021-22 Previous Financial Year
Total Waste Generated (In Metric Tons)		
Plastic Waste (A)	7	291
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)	85 (Packing Material)	2365 (Carton, Bag, Hangers etc.)
Total (A+B+C+D+E+F+G+H)	**92**	**2656**
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	92	2656
(II) Reused	NA	NA
(III) Other Recovery Operations	NA	NA
Total	**92**	**2656**
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 implemented waste management strategies that prioritize waste prevention, reduction, reuse, removal, and disposal. Their goal is to minimize waste generation to the greatest extent possible. Regular visual inspections are conducted in all waste storage and collection areas to detect any accidental releases, ensuring proper labelling and disposal of waste. As a retail business, the Company procures readymade garments from vendors and value chain partners, ensuring that no hazardous or toxic chemicals are used in their 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:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance being complied with? (Y/N) if no, the reasons thereof and corrective action 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.
Yes, the entity does adhere with the compliances with respect to Plastic waste Management.

12. Is the entity compliant with the applicable environmental laws/ 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: -

S. 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 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-2022-23 Current Financial Year	FY-2021-22 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)	5,49,89,577 (kwh) / 197962 GJ	3,71,64,486.4 (kwh)/ 1,33,792.2 GJ
Total Fuel Consumption (E)	13,60,416 (Litres)/ 46,526GJ	11,57,735.7 (Litres)/ 39,594.6 GJ
Energy Consumption through Other Sources (F)	NA	NIL
Total Energy Consumed from Non-Renewable Sources (D+E+F)	2,44,488 GJ	1,73,386.7 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-2022-23 Current Financial Year	FY-2021-22 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(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 kilolitres)	-	-

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 kilolitres):

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-2022-23 Current Financial Year	FY-2021-22 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(I) Surface water	-	-
(II) Groundwater	-	-
(III) Third-party water	-	-
(IV) Seawater / desalinated water	-	-
(V) Others	-	-
The total volume of water withdrawal (in kilolitres)	-	-
The total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (water consumed / turnover)	-	-
Water intensity (optional)– the relevant metric may be selected by the entity.	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(I) Into surface water	NA	NA
- *No treatment*	-	-
- *With treatment-specify the level of treatment*	-	-
(II) Into groundwater	NA	NA
- *No treatment*	-	-
- *With treatment-specify the level of treatment*	-	-
(III) Into seawater	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 kilolitres)	-	-

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 & their intensity in the following format:

Parameters	Units	FY-2022-23 Current Financial Year	FY-2021-22 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 working on 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 in question 10 of the 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 the outcome of such initiatives, as per the following format:

S. No.	Initiatives Undertaken	Details of Initiatives (Web Link, if any, may be provided along with a summary)	Outcomes of Initiatives
-	-	-	-

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Company has a Business Continuity Plan (BCP) that encompasses People, Facilities, and Critical IT infrastructure across the enterprise. Disaster Recovery (DR) sites are in place to ensure that operations continue uninterrupted. These sites undergo testing periodically, and the results are assessed to determine any necessary actions. The policies and programs aid in enhancing the ability to withstand and respond to unexpected disasters or hazards that may affect business continuity.

8. **Disclose any significant adverse impact on 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 specialises in the retail of fashion garments and is committed to reducing its ecological footprint throughout the product life cycle. This involves a comprehensive assessment of the environmental impact at every stage, including design, manufacturing (through external vendors), inventory management, and waste disposal. By achieving minimal environmental impact at each of these stages, the company aims to ensure a sustainable product life cycle that is environmentally responsible.

9. **Percentage of value chain partners (by 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:**

S. 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:**

S. 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	https://vmart.co.in/wp-content/uploads/2023/07/V-Mart-Public-Influencing-Regulatory-Policy.pdf
2	Confederation of Indian Industry (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	https://vmart.co.in/wp-content/uploads/2023/07/V-Mart-Public-Influencing-Regulatory-Policy.pdf

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 an independent external agency (yes/ no)	Results communicated in the 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 project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity in the following format:**

S.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
- Channels mentioned in the Investor Grievance Redressal Policy which is available at the website of the Company
- By social media- (www.instagram.com/vmart_retail,
- Facebook
  - https://www.facebook.com/LimeRoadForMen
  - https://www.facebook.com/limeroadwesternwardrobe/
  - https://www.facebook.com/LimeRoadHome/
  - https://www.facebook.com/Limeroadcom/
  - https://www.facebook.com/profile.php?id=100083534640378

- Play Store: https://play.google.com/store/search?q=limeroad&c=apps&hl=en-IN
- Instagram: https://www.instagram.com/limeroad/
- By Feedback Form (Available at stores)

4- **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY-2022-23 Current financial year	FY-2021-22 Previous financial year
Directly sourced from MSME/ small producers.	Nil	Nil
Sourced directly from within the district and neighbouring districts	Nil	Nil

Not Applicable, as the company does not carry out any manufacturing activity. It buys readymade garments 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:**

S. No.	State	Aspirational district	Amount spent (in INR)
1.	West Bengal	Nadia.	0.9 Lakhs

3. A **Do you have a preferential procurement policy where you give preference to purchases from suppliers comprising marginalized /vulnerable groups? (yes/no)**

Our Company operates in the dynamic Fashion industry, where we are dedicated to fostering an environment of equal opportunities for vendors, regardless of their caste, creed, gender, or business size. We believe in providing a level playing field for all vendors who possess the capabilities to cater to the demands of the fashion-oriented market. V-mart actively supports small vendors, ensuring they have a platform to showcase their products in our stores and business premises.

In line with our commitment to inclusivity, we regularly undertake initiatives to empower and uplift suppliers from marginalised and vulnerable groups. We actively source finished products from these suppliers and provide them with opportunities to exhibit their products in our stores and office premises. Through these efforts, we aim to contribute to a more diverse and inclusive fashion industry, where every talented vendor can thrive and succeed.

B **From which marginalized /vulnerable groups do you procure?**

We actively procure from various marginalised/vulnerable groups, including Widows/Women workers, NGOs, MSMEs and Self-help groups across the company. Additionally, we encourage our suppliers to follow the same practice, supporting these underrepresented communities. By sourcing from and empowering these groups, we strive to foster a more inclusive and socially responsible business environment.

C **What percentage of total procurement (by value) does it constitute?**

The procurement from marginalised/vulnerable groups, including Widows/Women workers, NGOs, and Self-help groups, constitutes 0.5% of the total procurement by value.

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:**

S. No.	Intellectual property based on traditional knowledge	Owned/ (yes/no)	acquired	Benefit (yes/no)	shared	Basis of calculating benefit share
	NA					

Not Applicable, as the Company has not derived or shared any benefit from the intellectual properties based on traditional knowledge.

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:**

S. No.	CSR projects	No. Of persons who benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1.	Community Free School	430	100
2.	Plaksha University- Reimagining Higher Education	410	100
3.	Ekal Vidyalaya	6,121	100
4.	Community Initiatives	31543+	100

- Vulnerable and marginalized groups (37,397):
- Community Free School (430): - Education and nutritious food to street and rural children
- Ekal Vidyalaya (6,121): - Education for children in rural/tribal areas and livelihood opportunities to village youth by providing them teaching opportunities.
- Community Initiative: -
  - » Road Safety awareness initiative for daily commuters (12,000).
  - » Angel Home for Underprivileged Kids (35).
  - » Support Karma Animal Foundation (90).
  - » Plantation Drive (6773).
  - » Flood relief in Assam (605).
  - » Road Safety umbrella installation at crossroads (12,000).
  - » Education classes for underprivileged children in Jaindapur, Palwal (40).

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 behaviour & 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)

By social media-

- https://www.facebook.com/LimeRoadForMen,
- https://www.facebook.com/limeroadwesternwardrobe/,
- https://www.facebook.com/LimeRoadHome/,
- https://www.facebook.com/Limeroadcom/,
- https://www.facebook.com/profile.php?id=100083534640378,
- https://play.google.com/store/search?q=limeroad&c=apps&hl=en-IN
- https://www.instagram.com/limeroad/

By feedback form (Available at stores)

2. Turnover of products and/or services as a percentage of turnover from all products/services 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	9.6%**
Recycling and safe disposal	79.3%***

*It pertains to the V-Green products forming part of our entire product range.

**Our product portfolio includes FMCG & staples meant for safe human consumption.

*** Major business focus is apparel that isn't hazardous to customers, and of all the waste generated materials that can be recycled are being reused.

3. A number of consumer complaints in respect of the following: -

	FY 2022-23 Current Financial Year		Remarks	FY- 2021-22 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	0	0		0	0	
Advertising	0	0		257	0	
Cyber Security	0	0		0	0	
Delivery of Essential Service	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Others	1,34,359**	843		85,381	0	

*These Advertising complaints are out of the total number of 10,433 customer complaints received during 2022-2023.
**These complaints are out of the total 5 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-2023 and FY-2022. 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 to the policy.

Our organization has implemented a comprehensive policy addressing cyber security and data privacy risks. As part of our security framework, we have established a Segregation of Duties (SOD) Policy, which outlines the proper allocation of authority and responsibilities for managing information security within our organization. This policy ensures that individuals have clearly defined roles and responsibilities related to information security.

Furthermore, we have designed our information security organization in a manner that promotes structured coordination of activities pertaining to information security. This coordinated approach enables effective management of various aspects, including risk assessment and mitigation, incident response, access control, and compliance.

Moreover, our organization has implemented a robust risk management policy that specifically addresses cyber security and information risks. This policy outlines a systematic approach to identify, assess, and monitor the implications of these risks. By employing effective risk management practices, we can proactively mitigate potential threats and safeguard our information assets.

http://vmart.co.in/privacy-policy/

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 safety of products / services.

No significant issues have arisen regarding the advertising and delivery of essential services, cyber security and data privacy of customers, or instances of product recalls during the Financial Year 2022-23. Additionally, there have been no penalties or regulatory actions taken by authorities regarding our products and services.

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Product information can be accessed on V-Mart's official website, namely https://www.vmartretail.com/, as well as on the recently acquired LimeRoad's website, available at https://www.limeroad.com/.

   Moreover, the company shares details about its products across various social media platforms and E-Commerce websites, including Amazon and Myntra.

   Additionally, customers have the opportunity to view and purchase the company's products in physical stores located throughout different regions of the country.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services**

   Our company ensures that all safety instructions are prominently displayed on the labels of each product. With educational purposes in mind, we provide clear and concise instructions for washing, drying, cleaning, avoiding bleach usage, ironing, and more. Additionally, we make sure to disseminate comprehensive information about the size, pattern, colour, fabric type, and other relevant details across all channels and platforms where our products are accessible to consumers. Our commitment to transparency and consumer education allows for a seamless and informed shopping experience.

3. **Mechanisms are in place to inform consumers of any risk of disruption/ discontinuation of essential services.**

   Not Applicable

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 about 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

   Throughout the Financial Year 2022-23, the entity did not receive any reports or raise any concerns regarding data breaches from any third party

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 2023, 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, 2023, its loss 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.

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, 2023. 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 inventories with respect to estimated markdown due to slow moving and obsolete inventories (including shrinkage) *(as described in Note 32(vi) and 43 to the financial statements)*	
As at March 31, 2023, the carrying value of inventories (including packing material and accessories) amounted to Rs. 87,063 lakhs after considering markdown on account of slow moving, obsolete inventories (including shrinkage) of Rs. 2,117 lakhs 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 inventories including shrinkage. Such assessment involves significant estimates, such as management expectations of forecasted inventory demand, anticipated future recoverability of such inventory items and the estimated costs to sell. Since it involves significant management's judgement and estimate during the year, this matter has been determined as Key Audit Matter.	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 inventories including markdown. • We obtained ageing of inventories 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. • 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 matter in notes to the financial statements.
Accounting for Acquisition *(as described in Note 46 to the financial statements)*	
Pursuant to 'Business Transfer Agreement', the Company, during the year, acquired business undertaking from a third party at a lump-sum consideration of Rs.3,517 lakhs (net of liabilities assumed of Rs. 3,514 lakhs) as a going concern on slump sale basis. The purchase consideration has been allocated and the Company has identified intangible assets in the form of brand, non-compete fee and technology. The excess of consideration paid over the assets acquired and intangible assets identified is goodwill. Considering the above transaction as significant event and allocation of purchase consideration and identification of intangible assets requires significant judgement and assumptions. Accordingly, this matter has been considered as Key Audit Matter.	Our audit procedures included the following: • We obtained and read the Business Transfer Agreement and other subsequent agreements in relation to the acquisition to obtain an understanding of the transactions and the key terms. • We assessed the accounting treatment in line with the requirements of respective Ind AS's. • We traced the cost of various intangible assets identified by the management from the underlying valuation report. • We involved our internal valuation experts to review the valuation done by an independent valuation expert. • We traced the life of intangible assets acquired under the said agreement with the life assessed by the management. • We traced the fair valuation of such intangible assets provided by the independent expert to the accounting records. • We assessed the competence, capabilities and relevant experience of the experts engaged by the management and evaluated the appropriateness of assumptions and valuation methodology. • We 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 information included in the Annual Report i.e., Directors' Report, Corporate Governance Report, Management Discussion & Analysis, etc. but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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.

The Board of Directors is 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, 2023 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) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial 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;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2023 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;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 (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) TThe 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 or entity, 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 or entity, 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. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

No dividend has been declared during the year by the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 01, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Vikas Mehra
Partner
Membership Number: 094421

UDIN: 23094421BGYFUA7740

Place of Signature: New Delhi
Date: May 16, 2023

"Annexure 1"

referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

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 were 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 current year. However, 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.

(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(iv) 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:

Description of the property	Gross Carrying Value (in Rs. Lakhs)	Net Carrying Value (in Rs. 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 33 retail stores	971.09	541.00	Lease property on which lease-hold 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 45 to the financial statements 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, 2023.

(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.

(ii) (b) As disclosed in note 54 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five hundred lakhs in aggregate from banks during the year on the basis of security of current assets 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 in agreement with the books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five hundred lakhs in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

(iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(iii) (b) During the year, 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. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(iii) (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(iii) (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is

not applicable to the Company.

(iii) (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(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) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to 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, 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, 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.

(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 and other statutory dues on account of any disputes, are as follows:

Name of Statue	Nature of Dues	Amount (in Rs. lakhs)	Amount paid under protest (in Rs. lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service tax	108.26	37.69	FY 2007-08 to 2011-12	The Hon'ble Supreme Court of India
The Income Tax Act, 1961	Income tax	192.25	-	FY 2011-12 to 2013-14, 2015-16 to 2017-18 and 2019-20	Commissioner Income Tax (Appeals), Kolkata
The Income Tax Act, 1961	Income tax	177.13	-	FY 2019-20	The Hon'ble High Court of Kolkata, Kolkata
Punjab, Value added Tax Act, 2005	Value added tax	1.73	-	FY 2012-13	Assistant commissioner, Jalandhar
Uttar Pradesh Value Added Tax Act, 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	4.86	FY 2015-16	Haryana High Court
Uttarakhand Value Added Tax Act, 2005	Value added tax	8.11	-	FY 2016-17	Deputy Commissioner, Dehradun
Minimum Wages Act, 1948	Minimum Wages	88.07	-	FY 2014-15, 2015-16, 2017-18 to FY 2019-20	Deputy Labour Commissioner, UP
Industrial Dispute Act, 1947	Salaries and wages	30.75	-	FY 2014-15 and FY 2015-16	Labour Department

*The Company netted off the demand with refund outstanding in books of accounts

(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 wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) TThe 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) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to 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) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company..

(x) (b) 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.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(xi) (b) During the year, no report under Sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by 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) (a) 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) of the Order is not applicable to the Company.

(xii) (b) 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)(b) of the Order is not applicable to the Company.

(xii) (c) 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)(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) 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) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 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 is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(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 are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses 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 53 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) (a) 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 27B to the financial statements.

(xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section (6) of Section 135 of Companies Act. This matter has been disclosed in note 27B 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: 23094421BGYFUA7740

Place of Signature: New Delhi
Date: May 16, 2023

Annexure 2

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, 2023 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 Companies Act, 2013.

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 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 controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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, 2023, 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: 23094421BGYFUA7740

Place of Signature: New Delhi

Date: May 16, 2023

Balance Sheet as at March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	**31,910.47**	27,949.18
Capital work in progress	3	**10,924.03**	637.85
Goodwill	4	**150.00**	-
Other Intangible assets	4	**6,058.87**	320.70
Right-of-use assets	45	**1,06,425.90**	82,827.17
Financial assets			
Investments	5	**-**	378.24
Other financial assets	8	**3,212.27**	3,698.67
Deferred tax assets (net)	9	**5,307.22**	3,862.67
Other non-current assets	10	**4,491.72**	438.97
		1,68,480.48	**1,20,113.45**
Current assets			
Inventories	11	**87,063.37**	66,822.28
Financial assets			
Investments	6	**854.01**	12,106.21
Loans	7	**42.85**	51.82
Cash and cash equivalents	12	**1,806.22**	3,303.55
Other bank balances	13	**209.24**	202.12
Other financial assets	8	**2,486.28**	18.60
Other current assets	10	**13,310.43**	7,330.00
		1,05,772.40	**89,834.58**
Total Assets		**2,74,252.88**	**2,09,948.03**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	**1,977.25**	1,974.95
Other Equity	15	**82,922.60**	82,986.85
Total Equity		**84,899.85**	84,961.80
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	45	**1,10,773.34**	84,293.92
Employee benefit obligations	19(A)	**1,253.04**	1,086.20
		1,12,026.38	**85,380.12**
Current liabilities			
Financial liabilities			
Borrowings	16	**14,782.64**	-
Lease liabilities	45	**7,610.18**	5,926.24
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	17	**14,979.16**	6,134.07
b) total outstanding dues of creditors other than micro enterprises and small enterprises	17	**33,854.02**	22,923.07
Other financial liabilities	18	**4,436.88**	2,120.97
Employee benefit obligations	19(A)	**508.19**	413.20
Liabilities for current tax (net)	19(B)	**287.67**	1,160.50
Other current liabilities	20	**867.91**	928.06
		77,326.65	**39,606.11**
Total Liabilities		**1,89,353.03**	**1,24,986.23**
Total Equity and Liabilities		**2,74,252.88**	**2,09,948.03**
Summary of significant accounting policies	2.2		

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: May 16, 2023

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

Megha Tandon
Company Secretary
Mem. No. F10732

Statement of Profit and Loss for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	21	**2,46,483.98**	1,66,617.73
Other income	22	**1,233.65**	769.27
Finance income	23	**262.98**	626.44
Total Income (I)		**2,47,980.61**	**1,68,013.44**
EXPENSES			
Purchase of traded goods	24	**1,79,950.45**	1,33,102.90
(Increase) in inventories of traded goods	25	**(20,241.09)**	(23,991.54)
Employee benefits expense	26	**25,551.22**	17,960.00
Finance costs	28	**11,691.05**	7,719.24
Depreciation and amortization expense	29	**17,998.02**	13,069.66
Other expenses	27	**34,331.96**	19,113.51
Total expenses (II)		**2,49,281.61**	1,66,973.77
(Loss)/ Profit before tax (III)=(I) - (II)		**(1,301.00)**	1,039.67
Tax expense			
Current tax	30	**1,023.29**	1,148.24
Tax related to earlier years	30	**(72.96)**	-
Deferred tax credit	30	**(1,466.43)**	(1,272.64)
Total tax expense (IV)		**(516.10)**	(124.40)
(Loss)/Profit for the year (V)=(III)-(IV)		**(784.90)**	1,164.07
Other comprehensive income :			
Items that will not be reclassified to profit or loss in subsequent period			
Remeasurement gain/(loss) of defined benefit obligations		**86.92**	(249.77)
Income tax effect	30	**(21.88)**	62.86
Total other comprehensive income, net of tax (VI)		**65.04**	(186.91)
Total comprehensive earnings/income(loss) for the year, net of tax (VII)=(V)+(VI)		**(719.86)**	977.16
Earnings/(loss) per share [nominal value of share Rs.10 (March 31, 2022: Rs.10)]	31		
Basic (in Rs.)		**(3.97)**	5.90
Diluted (in Rs.)		**(3.97)**	5.88
Summary of significant accounting policies	2.2		

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: May 16, 2023

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

Megha Tandon
Company Secretary
Mem. No. F10732

Cash flow statement for the year ended March 31,2023

(All amounts in Rs Lakhs , unless otherwise stated)

		For the year ended March 31, 2023	For the year ended March 31, 2022
A.	**Operating activities**		
	(Loss)/profit before tax	**(1,301.00)**	1,039.67
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expense	17,998.02	13,069.66
	Finance costs	11,691.05	7,719.24
	Loss on sale of property, plant and equipment	350.91	169.85
	Impairment allowances on other assets	35.07	-
	Balances written off	45.73	4.03
	Employee stock option expense	454.31	703.77
	Interest income	(262.98)	(626.44)
	Profit on sale of investments (net)	(219.82)	(566.16)
	Rent Concession on lease rentals	(231.87)	(1,583.79)
	Income on investment designated at FVTPL	(21.04)	6.11
	Liabilities no longer required written back	(74.23)	(30.10)
	Operating profit before working capital changes	**28,464.15**	**19,905.84**
	Changes in working capital :		
	Increase in financial assets and loans	(2,085.84)	(3,476.26)
	Increase in other assets	(8,188.49)	(3,359.25)
	Increase in inventories	(20,241.09)	(23,991.54)
	Increase in trade payables	19,850.27	9,919.04
	Increase in other financial liabilities	1,806.79	464.87
	(Decrease) / increase in other liabilities	(60.09)	398.58
	Increase in provisions	348.75	194.70
	Cash flow from operations	**19,894.45**	**55.98**
	Income tax paid (net of refunds)	(1,819.17)	(1,181.21)
	Net cash flow from/(used in) operating activities (A)	**18,075.28**	**(1,125.23)**
B.	**Investing activities**		
	Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(27,832.20)	(15,115.77)
	Proceeds from sale of property, plant and equipment	41.77	180.38
	Purchase of investments	(27,945.22)	(59,181.34)
	Proceeds from sale of investments	39,826.41	79,155.30
	Interest received	50.76	538.89
	Investment in bank deposits (net)	-	6,789.64
	Net cash flow (used in)/from investing activities (B)	**(15,858.48)**	**12,367.10**
C.	**Financing activities**		
	Proceeds from issue of equity shares including securities premium	351.85	758.19
	Proceeds from short term borrowings	14,782.64	-
	Payment of principal portion of lease liabilities (net off lease concession)	(7,084.58)	(3,485.70)
	Finance charges on lease liablities	(11,218.66)	(7,666.39)
	Finance charges (others)	(419.00)	(52.85)
	Dividend paid	(148.25)	-
	Net cash flow (used in) financing activities (C)	**(3,736.00)**	**(10,446.75)**
D.	**Net (decrease)/increase in cash and cash equivalents (A+B+C)**	**(1,519.20)**	**795.12**
E.	Cash and cash equivalents at the beginning of the year	**3,017.95**	2,222.83
F.	**Cash and cash equivalents at the end of the year {including book overdraft Rs.14.86 lakhs (March 31, 2022 Rs.Nil)} (D+E)**	**1,498.75**	**3,017.95**
	Non Cash Investing activites		
	Acquisition of Right to use assets (refer note 45)	36,057.12	41,514.59

		For the year ended March 31, 2023	For the year ended March 31, 2022
Notes:			
1	For the purpose of cash and cash equivalent bank overdraft and other receivables are reduced from cash and bank balances.		
2	Refer Note 39 for change in liabilities arising from financing activities.		
	Components of cash and cash equivalents		
	Balances with banks		
	- on current account	**97.42**	48.24
	- on cash credit account	**462.99**	601.48
	- Book Overdraft	**(14.86)**	-
	- Deposits with original maturity of less than three months	**623.03**	2,000.00
	Cash on hand	**330.17**	368.23
	Total	**1,498.75**	**3,017.95**
Summary of significant accounting policies (Refer note 2.2)			

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: May 16, 2023

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

Megha Tandon
Company Secretary
Mem. No. F10732

Statement of changes in equity for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

A. Equity share capital

	Number	Amount
As at April 01, 2021	1,97,06,143	1,970.61
Issue of equity share capital under Employee Stock Option Scheme (Refer note 36)	43,311	4.34
As at March 31, 2022	1,97,49,454	1,974.95
Issue of equity share capital under Employee Stock Option Scheme (Refer note 36)	23,009	2.30
As at March 31, 2023	**1,97,72,463**	**1,977.25**

B. Other equity

Particulars (refer note 15)	Securities premium reserve	Amalgamation reserve	Retained earnings	Shares option outstanding account	Total
As at April 01, 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 income, net of tax Remeasurement of defined benefit obligations	-	-	(186.91)	-	(186.91)
Recognition of share based payment expenses (Refer note 36)	-	-	-	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
As at March, 2022	**48,106.54**	**154.76**	**33,664.83**	**1,060.72**	**82,986.85**
(Loss) for the year	-	-	**(784.90)**	-	**(784.90)**
Other comprehensive income, net of tax (Remeasurement of defined benefit obligations)	-	-	**65.04**	-	**65.04**
Payment of dividend on equity shares	-	-	**(148.25)**	-	**(148.25)**
Recognition of share based payment expenses (Refer note 36)	-	-	-	**454.31**	**454.31**
Transfer from share option outstanding account on exercise of options	**239.97**	-	-	**(239.97)**	-
Received during the year against issue of shares to employees under ESOP scheme	**349.55**	-	-	-	**349.55**
As at March 31, 2023	**48,696.06**	**154.76**	**32,796.72**	**1,275.06**	**82,922.60**

Summary of significant accounting policies (Refer note 2.2)

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: May 16, 2023

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

Megha Tandon
Company Secretary
Mem. No. F10732

Notes to financial statements

for the year ended March 31, 2023;

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. During the current year Company has acquired a digital marketplace business, where Company earns commission on gross sales made on its portal named as LimeRoad.com (Refer note 46).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-110092 and corporate office situated at Plot No-862, Udyog Vihar Industrial Area, Phase V, Gurugram-122016. Information on other related party relationships of the Company is provided in Note 34. The financial statements were approved for issue in accordance with a resolution of the directors on May 16, 2023.

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 obligation 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 (Rs.) and all values are rounded to the nearest lakhs (Rs.00,000), except when otherwise stated.

2.2 Summary of significant accounting policies

a. Business Combination and Goodwill

The Company applies the acquisition method to account for business combination. The consideration transferred for the acquisition of a business comprises the,

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued/ cash consideration paid by the Company, and
- fair value of any asset or liability resulting from a contingent consideration arrangement Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill, if the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the afore-mentioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve.

Acquisition-related costs are expensed as incurred. Any contingent consideration to be transferred by the Company is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within the equity.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

b. 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.

c. Foreign Currencies

The Company's financial statements are presented in Rs. which is also its functional currency. Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on settlement or translation of monetary items are recognised in the profit or loss.

d. Fair value measurement

TThe 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.

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 32 and 41)

Quantitative disclosures of fair value measurement hierarchy (note 42)

e. Revenue from operations

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements except for the agency services because it typically controls the goods before transferring them to the customer and sales under sale or return basis arrangements.

Sale of traded goods:

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts, schemes, Goods and Service Tax (GST) offered by the Company as part of the contract. Retail sales are recognised on delivery of the merchandise to the customer, when the property in goods and control are transferred for a price and no effective ownership control is retained. Where the Company is the principal in the transaction the Sales are recorded at their gross values.

Commission income:

Commission income is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition is when the performance obligation is satisfied.

Interest Income:

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable

Contract balances (contract liabilities)

A contract 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 customer's 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 digital marketplace and there is no credit sales or other receivables from customers.

f. 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.

g. Property, plant and equipment and Capital work-in-progress(CWIP)

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Freehold land is carried at Cost.

Property, Plant and Equipment and The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

h. 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.

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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to supportable. If not, the change in useful life from indefinite to finite is made on prospective basis.

The useful lives of intangible assets are assessed as finite or indefinite as follows ;

Intangible Assets	Estimated Useful Life (Years)
Computer Software	Over the estimated economic useful lives of 6 years
Technology	Amortised on a straight-line basis over its estimated useful life of 5 years.
Non-Competence Fees	Amortised on a straight-line basis over their estimated useful life of 30 months based on agreed terms as per contract.
Brand	Infinite life
Goodwill	Infinite life

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition 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.

i. Depreciation on Property, plant and equipment "PPE"

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 machinery	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	5-15 years or lease term whichever is lower	on lease term

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 reflect fair approximation of the period over which the assets are likely to be used.

j. 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.

k. 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.

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). 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 cost 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 lives of the assets. The right of use assets are also subject to impairment.

Particulars	Lease term (In Years)
Building (Stores, ware house and office premises)	9 to 15
Plant and Machinery/ Office equipment	3

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 (m) Impairment of non-financial assets.

Lease Liabilities

The Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance 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. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date 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.

l. Inventories

Inventories are valued as follows:

a) **Packing material 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.

m. Impairment of non-financial assets (including goodwill)

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. The 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).

For assets excluding goodwill, 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 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.

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Impairment losses are recognized in the statement of profit and loss.

n. 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.

o. 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.

The Company operates a defined benefit gratuity plan and the cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

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 reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

p. 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 'Shares 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's 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.

Further Details are provided in Note 36.

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 Profit or Loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

q. 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

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 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 other receivables.

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.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments

Investments in mutual fund are measured at FVTPL.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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, lease liabilities 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 the statement of profit and loss. 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 and loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

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 and 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.

r. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the decision making authority. The decision making authority monitors the operating results of all segments separately for the purpose of making decisions about resource allocation and performance assessment. The operating segments have been identified on the basis of the nature of products/ services. Further;

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter - segment revenue.
2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
3. Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
4. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

s. 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. Further, it includes amount receivable with respect to credit card receivable, electronic wallet, UPI, etc. which are normally received within one day from the date of transaction and are subject to 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.

t. Dividend distribution to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company 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.

u. 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 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 New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

(i) **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37**

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). 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 amendment is not applicable to the Company.

(ii) **Reference to the Conceptual Framework – Amendments to Ind AS 103**

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. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the year.

(iii) **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16**

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 amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(iv) **Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter**

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022 but do not apply to the Company, as it does not has any subsidiaries.

(v) **Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees 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.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

(vi) **Ind AS 41 Agriculture – Taxation in fair value measurements**

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments had no impact on the financial statements of the Company as it did not have assets in scope of Ind AS 41 as at the reporting date.

2.4 Standards notified, not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from 01 April 2023. . Such amendments shall come into force with effect from 1 April 2023, but do not have a material impact on the financial statements of the Company:

(i) **Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are not expected to have a material impact on these financial statements.

(ii) **Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Company is periodically revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) **Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Company is currently assessing the impact of the amendments.

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

3 Property, plant and equipment

Particulars	Plant and machinery	Office Equipment	Leasehold Improvement	Computers	Furniture and fixtures	Vehicles	Freehold Land	Total
Gross block:								
As at April 01, 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	3,985.34	224.59	1,413.15	518.97	5,866.97	9.30	2,970.75	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
Additions during the year	4,031.17	168.49	327.79	584.24	4,341.29	25.96	10.25	9,489.19
Acquisition of digital marketplace (Refer note 46)	-	12.55	30.59	26.59	11.51	-		81.24
Disposals/ adjustments	(593.32)	(10.05)	(42.59)	(32.05)	(640.82)	(30.10)	-	(1,348.93)
As at March 31, 2023	**18,785.41**	**1,134.07**	**2,131.80**	**2,493.21**	**22,535.94**	**285.50**	**4,316.43**	**51,682.36**
Accumulated Depreciation:								
As at April 01, 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
Depreciation charge for the year	2,110.55	145.71	293.14	346.67	2,286.84	33.67	-	5,216.58
Disposals/adjustments	(445.61)	(8.25)	(17.86)	(31.17)	(424.89)	(28.59)	-	(956.37)
As at March 31, 2023	**8,646.76**	**722.58**	**533.50**	**1,503.97**	**8,228.64**	**136.44**	**-**	**19,771.89**
Net book value								
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
As at March 31, 2023	**10,138.65**	**411.49**	**1,598.30**	**989.24**	**14,307.30**	**149.06**	**4,316.43**	**31,910.47**

(i) Contractual obligations

Refer note 33 (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 year and previous year.

(iii) Property plant and equipment pledged as security

Refer note 44 for assets pledged as security for current borrowings

(iv) Assets not held in the name of the Company / leases not duly executed in favour of the Company

All the assets are held in the name of the Company except below mentioned lease hold improvements and immovable fixtures (included under Plant and machineries and furniture and fixtures) capitalised at various retail stores wherein the Company has taken the premises on lease but the lease deed is not yet registered in the name of the Company.

Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs Lakhs, unless otherwise stated)

For March 31,2023

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 33 retail stores	971.09	541.00	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.

For March 31,2022

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.

(v) On transition to Ind AS (i.e. 1 April 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.

Capital work-in-progress

Particulars	March 31, 2023	March 31, 2022
Capital work-in-progress	**10,924.03**	637.85

Capital work-in-progress(CWIP) Ageing schedule

As at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) projects in progress	10,774.41	131.32	18.30	-	10,924.03
(b) projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

Note : All the above projects are neither overdue, nor exceeded its cost compared to its approved budget.

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

4 Goodwill and other intangible assets

Particulars	Goodwill	Computer software	Technology	Brand	Non-Compete Fee	Total
Gross Block:						
As at April 01, 2021	-	710.77	-	-	-	710.77
Additions during the year	-	159.51	-	-	-	159.51
Disposals/adjustments	-	-	-	-	-	-
As at March 31, 2022	-	870.28	-	-	-	870.28
Additions during the year	-	81.59	-	-	-	81.59
Acquisition of digital marketplace (Refer note 46)	150.00	10.76	3,130.00	2,740.00	130.00	6,010.76
Disposals/adjustments	-	(0.30)	-	-	-	(0.30)
As at March 31, 2023	**150.00**	**962.33**	**3,130.00**	**2,740.00**	**130.00**	**6,962.33**
Accumulated Amortization:						
As at April 01, 2021	-	435.03	-	-	-	435.03
Charge for the year	-	114.55	-	-	-	114.55
Disposals/adjustments	-	-	-	-	-	-
As at March 31, 2022	-	549.58	-	-	-	549.58
Charge for the year	-	90.28	243.54	-	20.23	354.05
Disposals/adjustments	-	(0.17)	-	-	-	(0.17)
As at March 31, 2023	**-**	**639.69**	**243.54**	**-**	**20.23**	**903.46**
As at March 31, 2022	-	320.70	-	-	-	320.70
As at March 31, 2023	**150.00**	**322.64**	**2,886.46**	**2,740.00**	**109.77**	**6,058.87**

On transition to Ind AS (i.e. April 01, 2015), the Company elected to continue with the carrying value of all intangible assets measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

Impairment testing of Brand and Goodwill

For the purpose of impairment teating, both brand and goodwill were allocated to the Cash Generating Unit(CGU) which represents the lowest level at which these assets are monitored for the internal management reporting purposes.

The recoverable amount of the cash generating unit was based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's senstivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carry amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation as at March 31, 2023 was based on the following key assumptions :

i. The anticipated annual growth rate and margin included in the cash flow projections are based on past experience, actual operating results and the 4-year business plans.

ii. The revenue growth rate is 69.00 % (March 31, 2022 : Nil) representing management view on the future long-term growth rate.

iii. Discount rate for cost of equity is 18.90% (March 31, 2022 :Nil), and risk free rate of return is 7.05% (Previous year :Nil) was applied in determing the recoverable amount of the CGU.

Based on assessment, management believes that there is no impairment required to be made in these financial statements.

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

5 Investments - Non-Current

	As at March 31, 2023	As at March 31, 2022
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
Nil units (March 31, 2022: 30,00,000) units of Rs. 10 each		
Total (I)	-	378.24
Aggregate amount of book value of un-quoted investments	-	378.24
Aggregate amount of market value of un-quoted investments	-	378.24

6 Investments - Current

	As at March 31, 2023	As at March 31, 2022
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	-	1,817.63
Nil (March 31, 2022: 1,78,61,389.00) units of Rs. 10 each		
Aditya Birla Sunlife Banking and PSU Debt Plan Direct Growth	-	502.07
Nil (March 31, 2022 : 1,64,976.00) units of Rs. 100 each		
Axis Banking and PSU Debt Fund Direct Plan Growth	-	366.29
Nil (March 31, 2022 : 16,748.00) units of Rs.1,000 each		
Bharat Bond FOF - April 2025 - Direct Plan Growth	-	501.51
Nil (March 31, 2022: 46,39,235.06) units of Rs.10 each		
Edelweiss Arbitrage Fund - Direct Plan Growth	-	1,254.71
Nil (March 31, 2022: 76,11,910.57) units of Rs.10 each		
ICICI Prudential Overnight Fund Direct Plan	300.05	-
24,828.622 (March 31, 2022: Nil) units of Rs.1000 each		
IDFC Gilt 2027 Index Fund Direct Plan-Growth	-	352.32
Nil (March 31, 2022: 33,35,072.40) units of Rs.10 each		
Invesco India Money Market Fund - Direct Plan Growth	-	451.76
Nil (March 31, 2022: 17,779.06) units of Rs.1,000 each		
Invesco India Money Market Fund - Growth	-	401.15
Nil (March 31, 2022: 1,61,92.43) units of Rs.1,000) each		
Kotak Bond Short Term Fund Direct Plan Growth (Erstwhile Kotak Bond Short Term Plan Direct Plan Growth)	-	1,264.51
Nil (March 31, 2022: 27,67,231.00) units of Rs.10 each		
L&T Arbitrage Opportunities Fund	-	707.42
Nil (March 31, 2022: 43,53,639.49) units of Rs.10 each		
L&T Short Term Bond Fund Direct Plan Growth (Erstwhile L&T Short Term Opportunities Fund)	-	132.03
Nil (March 31, 2022: 5,83,922.99) units of Rs.10 each		
Nippon India Arbitrage Fund - Direct Growth Plan Growth Option	-	1,052.57

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

Nil (March 31, 2022: 46,10,857.74) units of Rs.10 each		
SBI Liquid Fund Direct Growth Plan	**398.96**	-
11,323.00 (March 31, 2022: Nil) units of Rs.1000 each		
SBI Magnum Insta Cash Fund	**39.42**	37.42
764.19 (March 31, 2022: 764.19) units of Rs.1,000 each		
Tata Arbitrage Fund Direct Plan Growth	-	291.91
Nil (March 31, 2022: 24,35,547.76) units of Rs.10 each		
UTI Arbitrage Fund - Growth	-	1,364.69
Nil (March 31, 2022: 45,90,816.91) units of Rs.10 each		
Total (II)	**738.43**	**10,497.99**

	As at March 31, 2023	As at March 31, 2022
Investment in bonds / commercial papers (fully paid-up) - un-quoted		
(Measured at amortised cost)		
HDFC Perpetual Bond (Coupon rate 8.85%)	-	1,502.25
Nil (March 31, 2022:150) units of Rs.10,00,000 each		
ICICI Perpetual Bond (Coupon rate 9.90%)	**115.58**	105.97
10 (March 31, 2022: 10) units of Rs.10,00,000 each		
Infrastructure Leasing & Financial Services Commercial Paper		
1,00,000 (March 31, 2022: 1,00,000) units [At cost less Impairment of investment of Rs.979.94 lakhs (March 31, 2022: Rs. 979.94 lakhs)] - Refer Note 50	-	-
Total (III)	**115.58**	**1,608.22**
Total (I+II+III)	**854.01**	**12,106.21**
Aggregate amount of book value of un-quoted investments (net of Impairment loss)	**854.01**	12,106.21
Aggregate amount of market value of un-quoted investments (net of Impairment loss)	**854.01**	12,106.21
Aggregate Impairment in value of investments	**979.94**	979.94

7 Loans

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured considered good				
(Measured at amortised cost)				
Loan to employees*	-	-	**42.85**	51.82
	-	-	**42.85**	51.82

*includes loan and interest thereon amounting to Rs. Nil (March 31, 2022: Rs.30.70 lakhs) given to director, repayable within six months from date of grant of such loan and carries an interest rate of 10%.

Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs Lakhs, unless otherwise stated)

8 Other financial assets

	Non-Current		Current	
	As at March 31, 2023	As at 'March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured considered good unless otherwise stated				
(Measured at amortised cost)				
Security deposits (Refer note 51)				
Considered good #	**3,053.98**	3,547.80	**1,360.11**	16.41
Considered doubtful	-	-	**6.40**	6.40
	3,053.98	3,547.80	**1,366.51**	22.81
Less: Impairment allowance	-	-	**(6.40)**	(6.40)
(A)	**3,053.98**	**3,547.80**	**1,360.11**	**16.41**
Amount recoverable from others*	-	-	**1,126.17**	-
Margin money deposits^	**150.38**	145.82	-	-
Interest accrued on Margin Money Deposits	**7.91**	5.05	-	-
Interest accrued on bank deposits	-	-	-	2.19
(B)	**158.29**	150.87	**1,126.17**	2.19
(A)+(B)	**3,212.27**	3,698.67	**2,486.28**	18.60

Includes security deposit acquired as part of the asset acquisition (Refer note 51).

* Includes Rs. 1,004.59 lakhs receivable from online marketplaces.

^Margin money deposits of Rs. 150.38 lakhs (March 31, 2022: 145.82 lakhs) are pledged as bank guarantees issued to various tax authorities, skill development authorities (for Deen Dayal Upadhaya Grameen Kaushalya Yojana) and for cash credit facilities with banks.

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

9 Deferred tax assets (net)

	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax assets		
Lease liability	**29,794.76**	22,706.61
Difference between accounting base and tax base of property, plant and equipment	**1,348.37**	1,197.41
Employee benefits	**443.27**	377.37
Provision for credit impaired advances	**34.79**	25.97
Others	**15.19**	19.90
(A)	**31,636.38**	**24,327.26**
Tax effect of items constituting deferred tax liabilities		
Right-of-use assets	**25,983.21**	20,330.99
Fair valuation of interest free security deposits	**297.53**	85.45
Measurement of financial assets at fair value through profit and loss	**48.42**	43.12
Others	**-**	5.03
(B)	**26,329.16**	**20,464.59**
Net deferred tax assets (A)-(B)	**5,307.22**	**3,862.67**

Movement in deferred tax assets(net) for year ended March 31, 2023

Particulars	As at March 31, 2022	Recognised in profit or loss	Recognized in other comprehensive income	As at March 31, 2023
Particulars				
Tax effect of items constituting deferred tax liabilities				
Right-of-use assets	**20,330.99**	**5,652.22**	**-**	**25,983.21**
Fair valuation of interest free security deposits	**85.45**	**212.08**	**-**	**297.53**
Measurement of financial assets at fair value through profit and loss	**43.12**	**5.30**	**-**	**48.42**
Others	**5.03**	**(5.03)**	**-**	**-**
Deferred tax liabilities (A)	**20,464.59**	**5,864.57**	**-**	**26,329.16**
Tax effect of items constituting deferred tax assets				
Lease liability	**22,706.61**	**7,088.15**	**-**	**29,794.76**
Difference between accounting base and tax base of property, plant and equipment	**1,197.41**	**150.96**	**-**	**1,348.37**
Employee benefits	**377.37**	**87.78**	**(21.88)**	**443.27**
Provision for credit impaired advances	**25.97**	**8.82**	**-**	**34.79**
Others	**19.90**	**(4.71)**	**-**	**15.19**
Deferred tax assets (B)	**24,327.26**	**7,331.00**	**(21.88)**	**31,636.38**
Net deferred tax assets (B)-(A)	**3,862.67**	**1,466.43**	**(21.88)**	**5,307.22**

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

Movement in deferred tax assets(net) for year ended March 31, 2022

Particulars	As at March 31, 2021	Recognised in profit or loss	Recognized in other comprehensive income	As at March 31, 2022
Particulars				
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 credit impaired 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

10 Other assets

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured considered good unless otherwise stated				
Capital advances				
Considered good	**2,144.62**	213.63	**-**	-
Considered doubtful	**-**	1.50	**-**	-
	2,144.62	215.13	**-**	-
Less: Impairment allowance	**-**	(1.50)		
(A)	**2,144.62**	**213.63**	**-**	**-**
Grant Recoverable (refer note 55)				
Considered good	**1,844.50**	-	**900.96**	1,432.03
Considered doubtful	**-**	-	**60.00**	19.52
	1,844.50	-	**960.96**	1,451.55
Less: Impairment allowance	**-**	-	**(60.00)**	(19.52)
(B)	**1,844.50**	**-**	**900.96**	**1,432.03**
Advances against material and services				
Considered good	**-**	-	**2,911.58**	1,336.51

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

Considered doubtful	-	-	**91.37**	95.28
	-	-	**3,002.95**	1,431.79
Less: Impairment allowance	-	-	**(91.37)**	(95.28)
(C)	-	-	**2,911.58**	**1,336.51**
Prepaid expenses	**372.60**	16.67	**446.67**	183.94
Income tax Assets (net of provisions for tax)	**41.83**	45.83	-	-
Deposits paid under protest*	**88.17**	162.84	-	-
Balance with government authority	-	-	**9,051.22**	4,377.52
(D)	**502.60**	**225.34**	**9,497.89**	**4,561.46**
Total (A)+(B)+(C)+(D)	**4,491.72**	**438.97**	**13,310.43**	**7,330.00**

*** Deposit paid under protest includes following**

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Value added tax	**32.31**	119.17	-	-
Service Tax	**37.69**	37.69	-	-
Others	**18.17**	5.98	-	-
Total	**88.17**	**162.84**	-	-

11 Inventories (valued at lower of cost and net realizable value)*

	As at March 31, 2023	As at March 31, 2022
Traded goods [including stock-in-transit: Rs.1,753.09 lakhs (March 31, 2022: Rs.2,696.05)]	**86,814.22**	66,636.17
Packing material and accessories	**249.15**	186.11
	87,063.37	**66,822.28**

*Refer note 43 for details of markdown of inventory. Such markdown is recognized as an expense during the year and included in increase in inventories of traded goods in statement of profit and loss.

The above inventory does not includes inventory lying at its stores and warehouse of which risk and reward of such inventory is owned by third party amounting to Rs. Nil (March 31, 2022: Rs. 1,804.10 lakhs). The Company recognises only margin as agreed on sale of such inventory as other operating income under head"Revenue from operations".

12 Cash and cash equivalents

	Current	
	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- on current account	**97.42**	48.24
- on cash credit account	**462.99**	601.48
- Deposits with original maturity of less than three months	**623.03**	2,000.00
Cash on hand	**330.17**	368.23
Other receivables^	**292.61**	285.60
	1,806.22	**3,303.55**

^ Other receivables includes amount receivable with respect to credit card receivable, electronic wallet, UPI, etc.

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- on current account	**97.42**	48.24
- on cash credit account	**462.99**	601.48
- Deposits with original maturity of less than three months	**623.03**	2,000.00
Cash on hand	**330.17**	368.23
Book overdraft	**(14.86)**	-
	1,498.75	**3,017.95**

Refer note 39 for changes in liabilities arising from financing activities

13 Other bank balances

	Current	
	As at March 31, 2023	As at March 31, 2022
Earmarked balances with Bank		
- Government grant under skill development project (refer note 55)	**0.13**	2.64
- Deposits with original maturity of less than twelve months	**208.69**	199.00
- unclaimed dividend account	**0.42**	0.48
	209.24	**202.12**

14 Equity Share capital

	No. of shares	Amount
Authorised Share Capital		
As at April 01, 2021	**2,50,00,000**	2,500
Increase during the year	**-**	-
As at March 31, 2022	**2,50,00,000**	2,500
Increase during the year	**-**	-
As at March 31, 2023	**2,50,00,000**	2,500

a. Terms / rights attached to equity shares

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

Equity shares of Rs 10 each

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

	No. of shares	Amount
As at April 1, 2021	1,97,06,143	1,970.61
Issued during the year (Refer note 36)	43,311	4.34
As at March 31, 2022	1,97,49,454	1,974.95
Issued during the year (Refer note 36)	**23,009**	**2.30**
As at March 31, 2023	**1,97,72,463**	**1,977.25**

c. No shares was issued as bonus shares, no 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, 2023**

Name of the Shareholders	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding	Nos.	% holding
Conquest Business Services Private Limited	**74,90,673**	**37.88%**	74,90,673	37.93%
Jwalamukhi Investment Holding	-	-	14,07,256	7.13%
Lalit Agarwal	**12,77,275**	**6.46%**	-	-
Lalit M Agarwal (HUF)	-	-	12,77,275	6.47%
ICICI Prudential Smallcap Index Fund	**13,80,246**	6.98%	-	-
SBI Smallcap Fund	**17,51,400**	8.86%	-	-
Amansa Holdings Private Limited	**13,51,402**	6.83%	-	-
ICICI Prudential S&P BSE 500 ETF	-	-	10,56,816	5.35%
SBI Multicap Fund	-	-	17,30,456	8.76%

e. **Details of shares held by promoters/promoter group**

As at 31 March 2023

Promoter/Promoter Groups	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	**74,90,673**	-	**74,90,673**	**37.88%**	**(0.05%)**
Lalit M Agarwal (HUF)	**12,77,275**	**(12,77,275)**	-	-	**(6.46%)**
Lalit Agarwal	-	**12,77,275**	**12,77,275**	**6.46%**	**6.46%**
Smiti Agarwal (till January 23, 2023)	**2,78,365**	**(2,78,365)**	-	-	**(1.41%)**
Hemant Kumar Agarwal (till January 23, 2023)	-	-	-	-	-
Hemant Agarwal (HUF) (till January 23, 2023)	**78,718**	**(78,718)**	-	-	**(0.40%)**
Total	**91,25,031**	**(3,57,083)**	**87,67,948**	**44.34%**	**(1.87%)**

As at 31 March 2022

Promoter/Promoter Groups	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	74,90,673	-	74,90,673	37.93%	(0.08%)
Lalit M Agarwal (HUF)	12,77,275	-	12,77,275	6.47%	(0.01%)
Lalit Agarwal	-	-	-	-	-
Smiti Agarwal	2,78,365	-	2,78,365	1.41%	-
Hemant Kumar Agarwal	43	(43)	-	-	-
Hemant Agarwal (HUF)	1,50,266	(71,548)	78,718	0.40%	(0.36%)
Total	**91,96,622**	**(71,591)**	**91,25,031**	**46.21%**	**(0.45%)**

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 36

Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs Lakhs, unless otherwise stated)

g. **Dividend distribution made and proposed**

Particulars	As at March 31, 2023	As at March 31, 2022
Dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2022: Rs. 0.75 (March 31, 2021: Nil per share)	**148.25**	-
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on March 31, 2023: Nil (March 31, 2022: Rs. 0.75 per share)	-	148.25

15 Other equity

(i) **Securities premium reserve**

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**48,106.54**	47,025.65
Add: premium received during the year		
Transfer from share option outstanding account	**239.97**	327.03
Received during the year against issue of shares to employees under ESOP	**349.55**	753.86
	48,696.06	48,106.54

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, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Retained earnings*	**32,796.72**	33,664.83
Shares option outstanding account**	**1,275.06**	1,060.72
	34,071.78	34,725.55
Total (i)+(ii)+(iii)	**82,922.60**	**82,986.85**

***Movement of retained earning is as below**

Retained earnings

	As at March 31, 2023	As at March 31, 2022
As per last balance sheet	**33,664.83**	32,687.67
(Loss)/Profit for the year	**(784.90)**	1,164.07
Other comprehensive income	**65.04**	(186.91)
Payment of Dividend [Refer note 14(g)]	**(148.25)**	-
Closing balance in statement of profit and loss	**32,796.72**	33,664.83

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

****Shares option outstanding account**

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**1,060.72**	683.98
Recognition of share based payment expenses (Refer note 36)	**454.31**	703.77
Transfer to securities premium reserve	**(239.97)**	(327.03)
Closing balance in statement of profit and loss	**1,275.06**	1,060.72

Retained earnings

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss

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 Borrowings

	As at March 31, 2023	As at March 31, 2022
Working capital demand loan from bank (secured)	**10,988.01**	-
Others (unsecured)	**3,794.63**	-
	14,782.64	-

Details of working capital demand loan is as follows (Refer note 44 for assets pledged as securities):

Name of bank	Rate of Interest range(in %)	Repayment range in days	As at March 31, 2023	As at March 31, 2022
Axis bank	6.50-7.40	90	2,500.00	-
ICICI bank	6.50-7.70	90	1,000.00	-
HDFC bank	6.51-8.00	90	7,488.01	-
Total			**10,988.01**	

Detail of short term borrowings from financial institution (discounted by vendors on recourse by the Company) is as follows:

Name of non banking financial institution	Rate of Interest range(in %)	Repayment range in days	As at March 31, 2023	As at March 31, 2022
Mynd Solutions Private Limited	7.05-7.20	60-90	3,794.63	-
Total			**3,794.63**	**-**

For explanation on risk management process, refer note 40.

For details regarding filing of quarterly returns with banks, refer note 54.

17 Trade payables

	As at March 31, 2023	As at March 31, 2022
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 38)	**14,979.16**	6,134.07
Total outstanding dues to creditors other than micro enterprises and small enterprises	**33,854.02**	22,923.07
	48,833.18	29,057.14

Trade payables are non-interest bearing and are normally settled 7-90 days terms.

For explanation on risk management process, refer note 40.

Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs Lakhs, unless otherwise stated)

Trade payable ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	Total
Undisputed					
Due to micro and small enterprises	14,967.02	-	-	-	14,967.02
Due to other than micro and small enterprises	33,463.13	193.18	175.93	21.78	33,854.02
(A)	**48,430.15**	**193.18**	**175.93**	**21.78**	**48,821.04**
Disputed					
Due to micro and small enterprises	-	10.73	1.41	-	12.14
Due to other than micro and small enterprises	-	-	-	-	-
(B)	**-**	**10.73**	**1.41**	**-**	**12.14**
(A)+(B)	**48,430.15**	**203.91**	**177.34**	**21.78**	**48,833.18**

Trade payable ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	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**
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**

* Includes unbilled and not due trade payables of Rs. 4,831.27 lakhs(March 31, 2022 : 3,125.74 lakhs)

18 Other financial liabilities

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due			**53.39**	-
Book overdraft	**-**	-	**14.86**	-
Creditors for property, plant and equipment	**-**	-	**1,948.92**	1,508.05
Others				
Employee related payables	**-**	-	**1,985.85**	612.92
Other liabilities	**-**	-	**433.86**	-
	-	-	**4,436.88**	2,120.97

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

19 Provisions

		Non-Current		Current	
		As at March 31, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
A	Employee Benefit Obligations				
	Provision for gratuity (refer note 35)	**1,253.04**	1,086.20	**199.51**	200.52
	Provision for compensated absences	**-**	-	**308.68**	212.68
		1,253.04	1,086.20	**508.19**	413.20
		-	-		
B	Liabilities for current tax (net)*	**-**	-	**287.67**	1,160.50
		-	**-**	**287.67**	**1,160.50**

* The Company carries a tax contingency provision created as a matter of abundant caution amounting to Rs. 647.64 lakhs (March 31, 2022: Rs.587.61 lakhs) in respect of claims made by the Company in its return of income (filed in earlier years) for section 80JJAA, education cess on income tax and additional depreciation as allowable expense. The management is confident that the Company will be eligible for these deduction under Income tax Act.

20 Other liabilities

	Current	
	As at March 31, 2023	As at March 31, 2022
Contract liabilities (Refer note 21)*	**126.08**	104.23
Unclaimed dividend**	**0.42**	0.48
Statutory dues payable	**741.41**	823.35
	867.91	928.06

*A contract liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer. The Company updates its estimates of refund liabilities at the end of each reporting period.

** does not include any due for deposit with Investor Education and Protection Fund

[This space has been left intentionally blank]

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

21 Revenue from operations

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of traded goods	**2,44,090.96**	1,65,920.17
Commission Income	**1,688.09**	-
Other operating revenue	**704.93**	697.56
	2,46,483.98	1,66,617.73

Disaggregated revenue information

		For the year ended March 31, 2023	For the year ended March 31, 2022
i.	**Revenue by location of customers**		
	India	**2,46,483.98**	1,66,617.73
	Outside India	**-**	-
		2,46,483.98	1,66,617.73
ii.	**Timing of revenue recognition**		
	Revenue recognition at a point of time	**2,45,982.76**	1,66,348.15
	Revenue recognition over period of time	**501.22**	269.58
	Total revenue from contracts with customers	**2,46,483.98**	**1,66,617.73**

iii. **Performance obligation**

Revenue recognition at a point of time: Performance obligation in respect of sale of traded goods and commission income/ margin on third party inventory are satisfied when control of the goods is transferred to the customer, generally on delivery of the goods

Revenue recognition over period of time: Performance obligation in respect of services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance by the customer.

iv. **Contract balances**

Contract liabilities (Refer note 20)	**126.08**	**104.23**
	126.08	**104.23**

There are no Contract Assets and trade receivables as Company operates retail stores and there is no credit sales or other receivables from customers.

Set out below is the amount of revenue recognised from:

Movement of contract liability

	As at March 31, 2023	As at March 31, 2022
Amounts included in contract liabilities at the beginning of the year	**104.23**	135.68
Performance obligations satisfied during the year against balance outstanding at the beginning of the year	**(104.23)**	(135.68)
Amount received against contract liability and outstanding as at the balance sheet date	**126.08**	104.23
Amounts included in contract liabilities at the end of the year	**126.08**	**104.23**

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

22 Other income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair value/gain on investment designated at FVTPL	**21.04**	-
Liabilities no longer required, written back	**74.23**	30.10
Profit on sale of investments (net)	**219.82**	566.16
Profit on termination of lease	**444.36**	-
Miscellaneous income	**474.20**	173.01
	1,233.65	769.27

23 Finance income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on items at amortised cost		
Bank deposits	**46.75**	345.30
Interest - Bond	**9.90**	142.47
Interest on unwinding of discount on security deposits	**201.65**	137.97
Others	**4.68**	0.70
	262.98	**626.44**

24 Purchase of traded goods

	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of traded goods	**1,79,950.45**	1,33,102.90
	1,79,950.45	**1,33,102.90**

25 (Increase) in inventories of traded goods

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Traded goods (including stock in transit)	**86,814.22**	66,636.17
Packing material and accessories	**249.15**	186.11
	87,063.37	66,822.28
Inventories at the beginning 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
	(20,241.09)	**(23,991.54)**

26 Employee benefits expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	**21,657.41**	14,750.99
Gratuity expenses (refer note 35)	**353.31**	245.23
Employee stock option scheme (refer note 36)	**454.31**	703.77
Contribution to provident and other funds	**1,726.77**	1,301.36
Staff welfare	**1,359.42**	958.65
	25,551.22	**17,960.00**

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

27 Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent (refer note 48)	**2,547.00**	899.35
Power and fuel	**9,007.75**	5,826.76
Advertising and sales promotion	**8,619.74**	4,190.79
Packing materials and expenses	**1,586.72**	1,262.02
Repairs and maintenance		
- Building	**785.63**	515.29
- Others	**2,375.18**	1,576.91
Commission	**62.98**	126.31
Security expenses	**1,262.24**	746.57
Communication cost	**183.60**	223.23
Travelling and conveyance	**877.74**	509.93
Credit card and cash collection charges	**765.58**	480.19
Rates and taxes	**173.95**	81.21
Vehicle running expenses	**430.52**	233.34
Legal and professional fees	**2,330.75**	1,318.56
Printing and stationery	**162.22**	110.07
Payment to auditors (refer details below"A")	**58.69**	49.06
Insurance	**269.47**	150.28
Loss on investment designated at FVTPL	**-**	6.11
Loss on sale / write-off of property, plant and equipment (Net)	**350.91**	169.85
Impairment allowances on other assets	**35.07**	-
Balances written off	**45.73**	4.03
CSR expenditure (refer details below"B")	**61.14**	247.77
Donations	**4.89**	25.12
Commission to independent directors	**-**	4.75
Directors' sitting fees	**45.75**	26.00
Freight and forwarding charges	**2,083.94**	-
Miscellaneous expenses	**204.77**	330.01
	34,331.96	**19,113.51**

A. Payment to Auditors

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditor:		
Audit fee (including limited reviews)	**53.20**	41.20
In other capacity:		
Tax audit fee	**2.00**	2.00
Other Services	**-**	2.00
Reimbursement of expense	**3.49**	3.86
	58.69	**49.06**

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

B. Details of CSR expenditure

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Gross amount required to be spent by the Company during the year	**46.44**	110.86
(b)	Amount approved by the Board to be spent during the year	**61.14**	247.77
(c)	Amount spent during the year :		
	i) Construction/ acquisition of any assets		
	ii) On purpose other than (i) above in cash	**61.14**	247.77
(d)	Details related to spent/unspent obligations :		
	i) Contribution to public trust	**-**	-
	ii) Contribution to charitable trust	**61.14**	247.77
	iii) Unspent amount in relation to :		
	Ongoing project	**-**	-
	Other than ongoing project	**-**	-
	In case of Section 135(5) Excess amount spent		
	Short/(Excess) spent	**(14.70)**	(136.91)

28 Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest		
- on lease liability (refer note 45)	**11,152.13**	7,666.39
- on cash credit facilities	**173.67**	20.16
- Working Capital Demand Loan	**264.13**	-
- Others	**66.53**	-
Other borrowing costs	**34.59**	32.69
	11,691.05	**7,719.24**

29 Depreciation and amortisation expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	**5,216.58**	4,268.21
Depreciation of right-of-use assets (refer note 45)	**12,427.39**	8,686.90
Amortisation of intangible assets (refer note 4)	**354.05**	114.55
	17,998.02	**13,069.66**

Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs Lakhs, unless otherwise stated)

30 Tax expense and tax reconciliation

The major components of income tax expense for the year ended March 31, 2023 :

(a) Tax expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
Current income tax charge	**1,023.29**	1,148.24
Tax related to earlier years	**(72.96)**	-
Deferred tax (including amount recognised in other comprehensive income)		
Increase in deferred tax assets	**(1,444.55)**	(1,335.50)
	(1,444.55)	(1,335.50)
Income tax expense reported in the statement of profit and loss	**(494.22)**	(187.26)
Comprises of :-		
Tax expense as per Statement of Profit and Loss	**(516.10)**	(124.40)
Deferred tax related to items recognised in OCI on remeasurements of defined benefit obligations	**21.88**	(62.86)
	(494.22)	**(187.26)**

(b) Income tax expense for the period reconciled to the accounting profit

	For the year ended March 31, 2023	For the year ended March 31, 2022
(Loss)/Profit before tax	**(1,301.00)**	1,039.67
Income tax expense calculated @ 25.168% (March 31, 2022: 25.168%)	**(327.45)**	261.66
Tax effect of amounts that are not deductible in calculating taxable expense:		
Items not deductible for tax purposes	**16.62**	119.92
Additional deduction claimed under Section 80JJAA and for ESOP	**(163.87)**	(272.90)
Others	**31.56**	(99.04)
Total	**(443.14)**	9.64
Adjustment in respect of current income tax of earlier year	**(72.96)**	(134.04)
Income tax expense recognised in statement of profit and loss	**(516.10)**	(124.40)

31 Earnings / (loss) per share(EPS)

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, 2023

(All amounts in Rs Lakhs, 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, 2023	For the year ended March 31, 2022
(Loss)/profit after tax	**(784.90)**	1,164.07
Nominal value per share (in Rs.)	**10.00**	10.00
Weighted average number of Equity shares for basic EPS (in numbers)	**1,97,66,261**	1,97,28,344
Effect of dilution:		
Adjust for Employee stock options plan(in numbers)	**59,609**	78,500
Weighted average number of Equity shares adjusted for the effect of dilution (in numbers)	**1,98,25,870**	1,98,06,844
Earnings / (loss) per share (in Rs.)		
Basic earnings per share	**(3.97)**	5.90
Diluted earnings per share	**(3.97)**	5.88

Note :

(i) In the current year, effect of dilution is anti-dilutive. Accordingly, diluted EPS is restricted to basic EPS.

(ii) There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

32 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.

I. 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, 2023
(All amounts in Rs Lakhs, 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 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.

II. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market 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) 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 36.

(iv) Impairment of non-Financial assets and goodwill

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company. The key assumptions used to determine the recoverability of Goodwill are disclosed and further explained in Note 4.

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

(v) 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 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.

(vi) 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 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.

(vii) 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.

33 Commitments and Contingencies

i) Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account not provided in books, net of advances	**3,830.19**	11,980.32
	3,830.19	**11,980.32**

ii) Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax[1]	**369.38**	192.25
Value added tax[2]	**-**	157.01
Service tax[3]	**30.33**	30.33
Payment of Bonus (Amendment) Act, 2015[4]	**107.61**	107.61
Minimum Wages Act, 1948[5]	**88.07**	107.48
The Industrial Dispute Act, 1947[6]	**30.75**	30.75
	626.14	**625.43**

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
1	**Income Tax**	**.**	
	Demand raised by the income tax department for AY 2012-13 in respect of addition made on disallowance of certain purchases based on inadvertent assumption. The Company has filed an appeal before Commissioner Income Tax (Appeals), Kolkata.	**74.97**	74.97
	Demand raised by the income tax department for AY 2014-15 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 Commissioner Income Tax (Appeals), Kolkata. (net of refund adjusted of Rs. 76.13 lakhs)[March 31, 2022 : Rs. 76.13 lakhs]	**21.75**	21.75
	Demand raised by the income tax department for AY 2018-19 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961 and disallowance of expenditure on ESOP. The Company has filed an appeal before Commissioner Income Tax (Appeals), Kolkata.	**57.55**	57.55
	Demand raised by the income tax department for AY 2020-21 in respect of various adjustments such as addition with respect to 43B, items, adjustments under ICDS, etc. The Company has filed an appeal before Commissioner Income Tax (Appeals), Kolkata.	**37.98**	37.98
	Demand raised by the income tax department for the AY 2020-21 in respect of disallowance of ESOP expenses under section 37 of the income tax act 1961 Company has filed an appeal before Commissioner Income Tax (Appeals), Kolkata.	**177.13**	-
		369.38	192.25

Income tax department raised certain demand (as mentioned below) in earlier years against which the Company has made adequate provision in the books of accounts. However, these cases are still pending for disposal:

This represents demand amounting to Rs. 4.81 lakhs (March 31, 2022: Rs.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 assessing officer has reduced the refund due to it against such demand. However, the Company has filed an appeal before Commissioner Income Tax (Appeals), Kolkata.

This represents demand amounting to Rs. 12.57 lakhs (March 31, 2022: Rs.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 assessing officer has reduced the refund due to it against such demand. However, the Company has filed an appeal before Commissioner Income Tax (Appeals), Kolkata.

This represents demand amounting to Rs. 80.20 lakhs (March 31, 2022 : Rs.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 assessing officer has reduced the refund due to it against such demand. However, the Company has filed an appeal an appeal before Commissioner Income Tax (Appeals), Kolkata.

		As at March 31, 2023	As at March 31, 2022
2	**Value added tax**		
	This 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. During the current year, favourable Order has been received by the Company and accordingly. the matter stands closed as on the Balance Sheet date.	-	157.01
3	**Service tax**		

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

		As at March 31, 2023	As at March 31, 2022
	Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 01, 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 Rs.108.26 lakhs of which Rs.77.93 lakhs has been provided for in the Statement of Profit and Loss till March 31, 2017 and the balance Rs.30.33 lakhs has been disclosed as contingent liability in current and previous year. As per directions of the Hon'ble Supreme Court, the Company, has deposited Rs. 37.69 lakhs under protest with the concerned authorities and has disclosed this balance as"Deposits paid under protest"under other non-current assets.	**30.33**	30.33
4	**Payment of Bonus (Amendment) Act, 2015**		
	The Payment of Bonus (Amendment) Act, 2015 dated December 31, 2015 (which was made effective from April 01, 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), the Company, in accordance with the Payment of Bonus (Amendment) Act, 2015, has only recognized an additional expense of Rs.213.81 lakhs for the period April 1, 2015 to March 31, 2016 during earlier year ended March 31, 2016 and has not recognised the differential amount of bonus of Rs.107.61 lakhs for the period April 01, 2014 to March 31, 2015.	**107.61**	107.61
5	**Minimum Wages Act, 1948**		
	Rs. 88.07 lakhs (March 31, 2022 :Rs.107.48 lakhs) represents demand 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 had filed appeal against the same with Deputy Labour Commissioner. During the current year, the Company has received favorable order amounting to Rs. 19.41 lakhs. The Management is confident that favorable order will be issued for remaining amount also. Accordingly, the management does not anticipate any material liability devolving on the Company.	**88.07**	107.48
6	**The Industrial Dispute Act, 1947**		
	Rs.30.75 lakhs (March 31, 2022 :Rs.30.75 lakhs) represents demand under Industrial Dispute Act, 1947 imposed by the labour department on forceful termination of employees. The Company has received recovery challans from the labour department for the same . The management has evaluated the records of the employees/workers and has further decided to challenge the order and has filed an appeal against the same.	**30.75**	30.75
7	Further there are various labour, legal metrology, food adulteration and other cases under other act pending against the company, the liability of which cannot be ascertained. However, the management does not expect significant or material liability developing on the Company.		

Note: based on the opinion taken from the independent consultants/lawyers and based on assessments, the management believes that the outcome of these cases will be favourable and doesn't result into outflow of any economic resources. Accordingly, no adjustment is required in this financial statement.

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

34 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	Promoter owned entity
Key managerial personnel	
Mr. Lalit 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
Mr. Hemant Agarwal (till January 23, 2023)	Son of Mr. Madan Gopal Agarwal and Brother of Mr. Lalit Agarwal
Mrs. Smiti Agarwal (till January 23, 2023)	Daughter -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 Agarwal is Karta
Hemant Agarwal (HUF) (till January 23, 2023)	HUF in which Mr. Hemant Agarwal is Karta

*Where transactions have occurred.

(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, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Managerial remuneration						
Mr. Lalit Agarwal	**201.54**	175.63	-	-	-	-
Mr. Madan Gopal Agarwal	**36.01**	31.55	-	-	-	-
Post employment benefits - Gratuity						
Mr. Lalit Agarwal	**(0.26)**	0.10	-	-	-	-
Mr. Madan Gopal Agarwal	**(0.23)**	(0.04)	-	-	-	-
Commission to independent directors' *						
Mr. Aakash Moondhra	-	2.09	-	-	-	-
Mr. Murli Ramachandran	-	0.89	-	-	-	-
Ms. Sonal Mattoo	-	0.86	-	-	-	-
Mr. Govind Sridhar Shrikhande	-	0.91	-	-	-	-

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

Directors' sitting fees						
Mr. Aakash Moondhra	**9.75**	6.50	-	-	-	-
Mr. Murli Ramachandran	**12.75**	6.50	-	-	-	-
Ms. Sonal Mattoo	**10.50**	6.50	-	-	-	-
Mr. Govind Sridhar Shrikhande	**12.75**	6.50	-	-	-	-
Salaries, wages and bonus #						
Mr. Anand Agarwal	**151.34**	122.03	-	-	-	-
Mr. Snehal Shah	**-**	-	**86.57**	79.10	-	-
Mrs. Megha Tandon	**11.78**	8.83	-	-	-	-
Employee Stock Option Scheme (ESOP)						
Mr. Anand Agarwal	**53.77**	113.04	-	-	-	-
Mr. Snehal Shah	**-**	-	-	68.96	-	-
Mrs. Megha Tandon	**0.75**	10.34	-	-	-	-

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 Rs.4.75 lakhs in previous year represents commission paid with respect to financial year 2020-21 approved by the shareholders in annual general meeting dated August 25, 2021.

(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, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
Loan and Advance						
Mr. Lalit Agarwal	**-**	30.70	-	-	-	-
Independent directors' commission payable (net of TDS)						
Mr. Aakash Moondhra	**-**	2.09	-	-	-	-
Mr. Murli Ramachandran	**-**	0.89	-	-	-	-
Mr. Govind Shridhar Shrikhande	**-**	0.91	-	-	-	-
Ms. Sonal Mattoo	**-**	0.86	-	-	-	-

35 Employee benefits obligation

Defined Contribution plan

The Company makes provident and other funds contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. Accordingly, the Company recognised expense amounting to Rs. 1,726.77 lakhs (March 31, 2022: Rs. 1,301.36 lakhs) for contribution to provident and other funds in the Statement of Profit and Loss (Refer Note 26).

Gratuity and other post-employment benefit plans

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

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 have 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, 2023	As at March 31, 2022
Change in benefit obligation		
Opening defined benefit obligation	**1,286.72**	857.74
Service cost	**273.59**	194.23
Interest expenses	**79.72**	51.00
Benefits paid	**(224.56)**	(114.89)
Actuarial changes arising from changes in demographic assumptions	**(4.26)**	-
Actuarial changes arising from changes in financial assumptions	**(120.04)**	150.56
Experience adjustments	**37.38**	99.21
Acquisition Adjustment	**124.00**	48.87
Closing defined Benefit obligation	**1,452.55**	**1,286.72**

Defined benefit obligation

	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation		
Current	**199.51**	200.52
Non-Current	**1253.04**	1086.20
	1,452.55	**1,286.72**

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, 2023	For the year ended March 31, 2022
Current service cost	**273.59**	194.23
Interest cost on benefit obligation	**79.72**	51.00
Net benefit expense	**353.31**	**245.23**

Remeasurement (gain)/loss recognised in other comprehensive income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial changes arising from changes in demographic assumptions	**(4.26)**	-
Actuarial changes arising from changes in financial assumptions	**(120.04)**	150.56
Experience adjustments	**37.38**	99.21
	(86.92)	**249.77**

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Financial assumptions

	As at March 31, 2023	As at March 31, 2022
Discount rate	**7.25%**	6.20%
Salary escalation rate :		
First year	**5.00%**	5.00%
Thereafter	**5.00%**	**5.00%**

Demographic assumptions

	As at March 31, 2023	As at March 31, 2022
Retirement age (in years)	**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, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	**-/ +1%**	-/ +1%	**1,354.00**	1,195.48	**1,565.16**	1,391.89
"Salary growth rate"	**-/ +1%**	-/ +1%	**1,558.79**	1,387.94	**1,357.28**	1,197.07
Attrition Rate	**-/ + 50%**	-/ + 50%	**1,453.30**	1,246.47	**1,411.49**	1,316.86
Mortality Rate	**-/ + 10%**	-/ + 10%	**1,453.09**	1,287.00	**1,452.03**	1,286.45

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 year.

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, 2023	As at March 31, 2022
Weighted average duration (based on discounted cashflows)	**7 years**	8 years

The following are undiscounted benefit payments in future years:

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Within one year	**199.51**	200.52
More than 1 year but less than 5 years	**632.42**	496.16
5 years and more	**2,012.29**	1,624.14
	2,844.22	**2,320.82**

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

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.

36 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 3,00,000 equity shares with a nominal value of Rs.10 each will be granted upon exercise of 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 the V-Mart ESOP scheme, 2012 by increasing the total number of options from 3,00,000 (Three Lakhs) to 6,00,000 (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 equity shares with the nominal value of Rs 10 each was granted to the eligible 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.

(a) **The expense recognised for employee services received during the year is shown in the following table:**

	As at March 31, 2023	As at March 31, 2022
Expense arising from cash-settled share-based payment transactions	454.31	703.77
Total Expense arising from share-based payment transactions	**454.31**	**703.77**

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

(b) Below are the details in respect of ESOPs outstanding as at March 31, 2023

Particulars	ESOP Scheme	Grant Ratio	Vesting Period	Grant date	ESOPs outstanding	Exercise price (in Rs.)	Market value of equity shares on the date of grant (in Rs.)
Grant VIII	Scheme 2012	30:30:40	1 to 3 Years	23-Jul-18	9,686	2,044	2,270.95
Grant X	Scheme 2012	30:30:40	1 to 3 Years	10-May-19	2,859	2,347	2,594.85
Grant XI	Scheme 2012	30:30:40	1 to 3 Years	02-Aug-19	2,328	1,683	1,871.00
Grant XII	Scheme 2012	30:30:40	1 to 3 Years	10-Nov-20	14,936	1,769	1,966.80
Grant XIII	Scheme 2020	10:20:30:40	1 to 4 Years	24-Dec-20	1,20,680	1,244	2,487.55
Grant XIV	Scheme 2020	10:20:30:40	1 to 4 Years	28-May-21	7,007	1,400	2,799.85
Grant XV	Scheme 2020	10:20:30:40	1 to 4 Years	10-Feb-22	9,166	1,842	3,683.15
Grant XVI	Scheme 2020	10:20:30:40	1 to 4 Years	05-Aug-22	20,767	1,487	2,974.34
Grant XVII A	Scheme 2020	10:20:30:40	1 to 4 Years	11-Nov-22	10,900	1,415	2,829.65
Grant XVII B	Scheme 2020	10:20:30:40	1 to 4 Years	11-Nov-22	2,24,288	1,415	2,829.65

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.

Below are the details in respect of ESOPs outstanding as at March 31, 2022

Particulars	ESOP Scheme	Grant Ratio	Vesting Period	Grant date	ESOPs outstanding	Exercise price (in Rs.)	Market value of equity shares on the date of grant (in Rs.)
Grant VI	Scheme 2012	30:30:40	1 to 3 Years	09-Nov-17	2,000	1,260	1,412.60
Grant VII	Scheme 2012	30:30:40	1 to 3 Years	24-May-18	242	2,047	2,274.05
Grant VIII	Scheme 2012	30:30:40	1 to 3 Years	23-Jul-18	13,473	2,044	2,270.95
Grant X	Scheme 2012	30:30:40	1 to 3 Years	10-May-19	2,859	2,347	2,594.85
Grant XI	Scheme 2012	30:30:40	1 to 3 Years	02-Aug-19	2,328	1,683	1,871.00
Grant XII	Scheme 2012	30:30:40	1 to 3 Years	10-Nov-20	21,051	1,769	1,966.80
Grant XIII	Scheme 2020	10:20:30:40	1 to 4 Years	24-Dec-20	1,60,895	1,244	2,487.55
Grant XIV	Scheme 2020	10:20:30:40	1 to 4 Years	28-May-21	7,617	1,400	2,799.85
Grant XV	Scheme 2012	10:20:30:40	1 to 3 Years	10-Feb-22	11,539	1,842	3,683.15

(c) The relevant details in respect of the V-Mart ESOP Scheme 2012 and ESOP Scheme 2020 are summarized below:

Particulars	March 31, 2023		March 31, 2022	
	Number of options	Weighted average price in (Rs)	Number of options	Weighted average price in (Rs)
Outstanding at the beginning of the year	**2,22,004**	**1,032.60**	2,68,802	1,430.34
Granted during the year	**2,58,463**	**1,420.79**	21,485	1,652.24
Exercised during the year	**(23,009)**	**1,529.17**	(43,311)	1,750.58
Forfeited during the year	**(34,841)**	**1,297.04**	(24,972)	1,400.18
Outstanding at the end of the year	**4,22,617**	**1,413.43**	2,22,004	1,032.60
Exercisable at the end of the year	**25,437**	**1,820.20**	20,902	1,942.61

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

Weighted average remaining contractual life (in years)

	As at March 31, 2023	As at March 31, 2022
Weighted average remaining contractual life (in years)	7.35	6.59

(d) 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 Rs.)	Weighted average fair value of stock option (in Rs.)
Grant VI	7.64%	4 years	50.76%	0.10%	1,260.0	727
Grant VII	7.45%	3 years	40.30%	0.10%	2,047.0	902
Grant VIII	7.42%	3 years	41.49%	0.10%	2,044.0	913
Grant X	7.33%	3 years	22.90%	0.10%	2,347.0	807
Grant XI	7.26%	3 years	23.61%	0.10%	1,683.0	591
Grant XII	6.93%	3 years	25.68%	0.10%	1,769.0	443
Grant XIII	6.93%	4 years	24.32%	0.10%	1,244.0	1,473
Grant XIV	6.41%	4 years	20.07%	0.10%	1,400.0	1,726
Grant XIV	6.41%	3 years	20.07%	0.10%	2,520.0	771
Grant XV	6.71%	4 years	16.30%	0.00%	1,842.0	2,177
Grant XVI	6.38%	4 years	18.07%	0.10%	1,487.0	1,738
Grant XVII A	6.44%	4 years	15.67%	0.10%	1,415.0	1,725
Grant XVII B	6.44%	4 years	15.67%	0.10%	1,415.0	1,725

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.

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

37 Segment information

Pursuant to the acquisition of LimeRoad business (Refer note 46), the Company has two different lines of business i.e. retail business and digital marketplace, which has altogether different risk and rewards.

a) Operating Segments

Retail Trade	Domestic sale to customer at stores
Digital Marketplace	Commission and other income by providing Limeroad platform to vendors

b) Identification of Segments

The Chief Operating Decision Makers (CODM) also views both the business lines separately and accordingly identified and considered as two different segments in terms of the requirements of Ind AS 108 'Operating Segments'. Accordingly, the financial statements for the year end include segment reporting.

c) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "unallocable".

d) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "unallocable".

Summary of Segment Information

Year ended March 31, 2023

Particulars	Retail Trade	Digital Market place	Total Segment	Unallocated Amount	Total
Revenue					
Sales of traded goods	2,44,090.96	-	2,44,090.96	-	2,44,090.96
Sales of services	-	1,688.09	1,688.09	-	1,688.09
Other operating revenue	702.36	2.57	704.93	-	704.93
Other Income	-	-	-	1,233.65	1,233.65
Finance Income	-	-	-	262.98	262.98
Total Revenue	**2,44,793.32**	**1,690.66**	**2,46,483.98**	**1,496.63**	**2,47,980.61**
Income/(Expenses)					
Purchase (net)	1,59,709.36	-	1,59,709.36	-	1,59,709.36
Employee Benefit Expenses	22,395.32	1,659.27	24,054.59	1,491.03	25,545.62
Depreciation and amortisation	17,917.92	80.10	17,998.02	-	17,998.02
Finance cost	11,152.13	-	11,152.13	538.92	11,691.05
Other expenses	29,739.16	4,592.80	34,331.96	5.60	34,337.56
Total Expenses	**2,40,913.89**	**6,332.17**	**2,47,246.06**	**2,035.55**	**2,49,281.61**
Segment profit	**3,879.43**	**(4,641.51)**	**(762.08)**	**(538.92)**	**(1,301.00)**
Total Assets	**2,60,226.58**	**8,677.25**	**2,68,903.83**	**5,349.05**	**2,74,252.88**
Total Liabilites	**1,69,997.68**	**4,285.04**	**1,74,282.72**	**15,070.31**	**1,89,353.03**

Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs Lakhs, unless otherwise stated)

Year ended March 31, 2022

Particulars	Retail Trade	Digital Market place	Total Segment	Unallocated Amount	Total
Revenue					
Sales of traded goods	1,65,920.17	-	1,65,920.17	-	1,65,920.17
Sales of services	-	-	-	-	-
Other Income	-	-	-	769.27	769.27
Other operating revenue	697.56	-	697.56	-	697.56
Finance Income	-	-	-	626.44	626.44
Total Revenue	**1,66,617.73**	**-**	**1,66,617.73**	**1,395.71**	**1,68,013.44**
Income/(Expenses)					
Purchase (net)	1,09,111.36	-	1,09,111.36	-	1,09,111.36
Employee Benefit Expenses	17,960.00	-	17,960.00	-	17,960.00
Depreciation and amortisation	11,673.95	-	11,673.95	1,390.50	13,064.45
Finance cost	7,666.39	-	7,666.39	52.85	7,719.24
Other expenses	19,113.51	-	19,113.51	5.21	19,118.72
Total Expenses	**56,413.85**	**-**	**56,413.85**	**1,448.56**	**57,862.41**
Segment profit	**1,092.52**	**-**	**1,092.52**	**(52.85)**	**1,039.67**
Total Assets	2,06,039.53	-	2,06,039.53	3,908.50	2,09,948.03
Total Liabilites	1,23,825.73	-	1,23,825.73	1,160.50	1,24,986.23

Reconciliations to amount reflected in the financial statement:

Reconciliations of Profit	March 31, 2023	March 31, 2022
Segment profit	(762.08)	1,092.52
Other Income	1,233.65	769.27
Finance Income	262.98	626.44
Employee benefit expenses	(1,491.03)	-
Depreciation	-	(1,390.50)
Finance cost	(538.92)	(52.85)
Other expenses	(5.60)	(5.21)
Profit before tax	**(1,301.00)**	**1,039.67**

Reconciliations of Assets	March 31, 2023	March 31, 2022
Segment operating assets	2,68,903.83	2,06,039.53
Deffered tax assets	5,307.22	3,862.67
Advance Income tax (net)	41.83	45.83
Total assets	**2,74,252.88**	**2,09,948.03**

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

Reconciliations of Liabilites	March 31, 2023	March 31, 2022
Segment operating Liabilities	1,74,282.72	1,23,825.73
Borrowings	14,782.64	-
Liabilities for current tax (net)	287.67	1,160.50
Total liabilites	**1,89,353.03**	**1,24,986.23**

38 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	As at March 31, 2023	As at March 31, 2022
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 17)	**14,979.16**	6,134.07
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 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.

Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs Lakhs, unless otherwise stated)

39 Changes in liabilities arising from financing activities

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, 2021	(2,222.83)	(31,536.41)	-	-	56,780.36	23,021.12
Addition during the year (refer note 45)	-	-	-	-	40,087.28	40,087.28
Deletion in leases liability (refer note 45)	-	-	-	-	(1,800.39)	(1,800.39)
Interest expenses	-	-	-	52.85	7,666.39	7,719.24
Others	-	-	-	-	222.39	222.39
Lease payments(net of 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
Addition during the year (refer note 45)	-	-	-	**-**	**34,850.06**	**34,850.06**
Deletion in leases liability (refer note 45)	-	-	-	**-**	**(36.96)**	**(36.96)**
Interest expenses	-	-	-	**538.92**	**11,152.13**	**11,691.05**
Others	-	-	-	**-**	**222.39**	**222.39**
Gain on reduction in lease liability due to closing of stores	-		-	**-**	**444.33**	**444.33**
Lease payments (net off lease concession)	-	-	-	**-**	**(7,084.58)**	**(7,084.58)**
Lease concession received	-	-	-	**-**	**(231.87)**	**(231.87)**
Gain / (loss) on sale / fair valuation of Investment	**-**	**(250.76)**	-	**-**	**-**	**(250.76)**
Interest Paid	**-**	**-**	-	**(538.92)**	**(11,152.13)**	**(11,691.05)**
Cash Inflow / (outflows) (net)	**1,519.20**	**11,502.96**	-	**14,782.64**	**-**	**27,804.80**
Net liability as at March 31, 2023	**(1,498.75)**	**(854.01)**	-	**14,782.64**	**1,18,383.52**	**1,30,813.40**

40 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 from bank. However, it has obtained working capital loan and cash credit facility from bank. The Company has obtained a working capital demand loan of Rs. 10,988.01 lakhs(March 31,2022: Nil) and has sanctioned borrowing limit of Rs.20,000 lakhs.(March 31. 2022: 14,900 lakhs)

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

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:

	As at March 31, 2023	As at March 31, 2022
Lease Liability	1,18,383.52	90,220.16
Working capital demand loan	**10,988.01**	-
Others	**3,794.63**	-
Less: Cash and cash equivalents	**(1,498.75)**	(3,017.95)
Total debt	**1,31,667.41**	87,202.21
Equity share capital	**1,977.25**	1,974.95
Other equity	**82,922.60**	82,986.85
Total equity	**84,899.85**	84,961.80
Gearing ratio	**155.09%**	102.64%

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, 2023, the Company has cash and cash equivalent of Rs. 1,498.75 lakhs (March 31, 2022:Rs.3,017.95 lakhs).

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023.

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 rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's borrowings are at fixed rates which are carried at amortised cost. They are therefore not subject to interest rate risk.

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.

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.

Notes to financial statements for the year ended March 31, 2023
(All amounts in Rs Lakhs, unless otherwise stated)

	On Demand	Less than one year	Between one and five years	More than five years	Carrying amounts
As at March 31, 2023					
Borrowings	-	**14,782.64**	-	-	**14,782.64**
Trade payables	-	**48,833.18**	-	-	**48,833.18**
Other financial liabilities	-	**4,436.88**	-	-	**4,436.88**
As at March 31, 2022					
Borrowings	-	-	-	-	-
Trade payables	-	29,057.14	-	-	29,057.14
Other financial liabilities	-	2,120.97	-	-	2,120.97

The maturity analysis of lease liabilities is disclosed in Note 45.

` The Company has access to following financing facilities as at the end of the year

	As at March 31, 2023	As at March 31, 2022
Secured working capital facilities		
Amount used	10,988.01	-
Amount unused	9,011.99	14,900.00
Total	**20,000.00**	**14,900.00**

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, 2023

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
Loans	**42.85**	-	**42.85**
Cash and cash equivalents	**1,806.22**	-	**1,806.22**
Other bank balances	**209.24**	-	**209.24**
Other financial asset	**5,704.95**	**(6.40)**	**5,698.55**
Total financial assets	**7,763.26**	**(6.40)**	**7,756.86**

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

As at March 31, 2022

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
Loans	51.82	-	51.82
Cash and cash equivalents	3,303.55	-	3,303.55
Other bank balances	202.12	-	202.12
Other financial asset	3,723.67	(6.40)	3,717.27
Total financial assets	7,281.16	(6.40)	7,274.76

41 Fair value measurements

Financial instruments by category

	As at March 31, 2023		As at March 31, 2022	
	Carrying value	**Fair Value**	Carrying value	Fair Value
Fair value through profit and loss				
Investments				
- Mutual Funds	**738.43**	**738.43**	10,876.23	10,876.23
At amortised cost				
Investments				
- Bonds	**115.58**	**115.58**	1,608.22	1,608.22
Loans	**42.85**	**42.85**	51.82	51.82
Cash and cash equivalents	**1,806.22**	**1,806.22**	3,303.55	3,303.55
Other bank balances	**209.24**	**209.24**	202.12	202.12
Other financial asset	**5,698.55**	**5,698.55**	3,717.27	3,717.27
Total financial assets	**8,610.87**	**8,610.87**	**19,759.21**	**19,759.21**
Financial liabilities				
At amortised cost				
Borrowings	**14,782.64**	**14,782.64**	-	-
Lease liabilities	**1,18,383.52**	**1,18,383.52**	90,220.16	90,220.16
Trade payables	**48,833.18**	**48,833.18**	29,057.14	29,057.14
Other financial liabilities	**4,436.88**	**4,436.88**	2,120.97	2,120.97
Total financial liabilities	**1,86,436.22**	**1,86,436.22**	**1,21,398.27**	**1,21,398.27**

The management assessed that cash and cash equivalents, loans, other financial assets, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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 un-quoted investments are based on NAV 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.

42 Fair value hierarchy

(i) Financial assets and liabilities measured at amortised cost

	As at March 31, 2023	As at March 31, 2022
Financial assets(amortised cost)		
Investments in Bonds	**115.58**	1,608.22
Loans	**42.85**	51.82
Other Bank Balances	**209.24**	202.12
Cash and Cash Equivalents	**1,806.22**	3,303.55
Other financial asset	**5,698.55**	3,717.27
Total	**7,872.44**	**8,882.98**
Financial Liabilities(amortised cost)		
Borrowings	**14,782.64**	-
Lease liabilities	**1,18,383.52**	90,220.16
Trade payables	**48,833.18**	29,057.14
Other financial liabilities	**4,436.88**	2,120.97
Total	**1,86,436.22**	**1,21,398.27**

(ii) **Financial assets and liabilities that are measured at fair value on a recurring basis at the end of each years:**

Financial assets/Financial Liabilities	**Fair values at**		**Fair value heirarchy**
	As at March 31, 2023	As at March 31, 2022	
Un-quoted Investment in Mutual Funds (Refer note 5 and 6)	**738.43**	10,876.23	Level 1

Level 1: Level 1 hierarchy includes financial instruments measured using un-quoted prices. The mutual funds are reported using the closing NAV.

43 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 Rs. 4,058.06 lakhs including provision at year end of Rs. 2,832.00 lakhs (March 31, 2022 :Rs. 4,642.90 lakhs including provision at year end of Rs. 3,247.00 lakhs). The management believes that above estimation is adequate both in line with the Company practise and industry standards.

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

44 Assets pledged as security for current borrowings

The carrying amounts of asset pledged as security for borrowings are:

	As at March 31, 2023	As at March 31, 2022
Current		
Financial assets		
Investments	**854.01**	12,106.21
Cash and cash equivalent	**1,806.22**	3,303.55
Other bank balances	**209.24**	202.12
Other financial assets	**2,486.28**	18.60
Non-financial assets		
Inventories	**87,063.37**	66,822.28
Total current assets pledged as security	**92,419.12**	**82,452.76**
Non-current		
Property, plant and equipment*	**31,910.47**	27,949.18
Capital work in progress*	**10,924.03**	637.85
Financial assets		
Investments	**-**	378.24
Other financial assets (to the extent of amount pledged)	**67.00**	67.00
Total non-current assets pledged as security	**42,901.50**	**29,032.27**
Total assets pledged as security	**1,35,320.62**	**1,11,485.03**

* represents collateral security

The Company has sanctioned working capital limits amounting to Rs. 20,000 lakhs (March 31, 2022: Rs.14,900 lakhs) including non fund based limit of Rs.1,003.15 lakhs from SBI, ICICI, Axis Bank and HDFC Bank. An amount of Rs. 9,011.99 lakhs remains undrawn as at March 31, 2023 (March 31, 2022: Rs. 14,900.00 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 on Residential building bearing survey no. BPB081, 08th floor, Wing-B, Gurgaon (Haryana) admeasuring Total Area: 1714 sq. feet.

vii) Lien on Mutual fund (No. of Units:11323(folio no. 13912346) LD72SG SBI Liquid Fund Direct Growth

viii) Exclusive charge over FDRs of Rs. 67 lakhs to SBI.

45 The lease terms for office premises, warehouse and stores are for 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.

(i) **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, 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
Additions during the year	**36,057.12**	**-**	**36,057.12**
Deletions during the year	**-**	**(31.00)**	**(31.00)**
Depreciation	**(12,427.39)**	**-**	**(12,427.39)**
Balance as at March 31, 2023	**1,06,425.90**	**-**	**1,06,425.90**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss. (Refer Note 29)

(ii) **The break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022 are as follows**

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities		
Current portion	**7,610.18**	5,926.24
Non-current portion	**1,10,773.34**	84,293.92
Total	**1,18,383.52**	**90,220.16**

(iii) **The movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022 are as follows:**

Particulars	As at March 31, 2023	As at March 31, 2022
Total lease liabilities as at beginning	**90,220.16**	56,780.36
Additions	**35,294.42**	40,087.28
Finance cost accrued during the year	**11,152.13**	7,666.39
Deletions	**(36.96)**	(1,800.39)
Profit on termination of lease	**(444.36)**	-
Payment of lease liabilities (net of sub-lease Income)	**(17,801.87)**	(12,513.48)
Balance as at the end of the year	**1,18,383.52**	90,220.16

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.

(iv) **The details of the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis are as follows:**

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	**12,489.76**	9,959.28
One to five year	**1,23,756.04**	1,03,294.35
More than five year	**1,29,112.48**	1,06,858.39

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 Rs. 2,778.87 lakhs ((March 31, 2022: Rs. 2,483.14 lakhs) before netting of rent concession received from landlord (refer note 48).

Rental income on assets given on operating lease for the year ended March 31, 2023 is Rs. 49.86 lakhs (March 31, 2022- Rs.198.52 lakhs) which has been adjusted against lease liability during the year ended March 31, 2023.

(v) Amount recognised in statement of profit & loss:

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation on right of use assets	12,427.39	8,686.90
Interest on Lease liability	11,152.13	7,666.39
Rent	2,547.00	899.35

(vi) The Company is in the process of getting the lease deeds registered for 196 retail stores (March 31, 2022: 144) in the name of the Company. Out of said 196 retail stores, the Company has entered into Memorandum of Understanding with the landlord for 163 retails stores (March 31, 2022: 122 stores) and the Company has right to operate such store as per Master Franchise Agreement with ALBL (Refer note 51) for 17 stores (March 31, 2022: 14 stores). Accordingly Right to Use assets ("ROU") has been recognised on those retail stores. For the remaining 16 stores (March 31, 2022: 8 stores), the Company is in the process of entering formal agreement with the lessors, according ROU has not been created on those retail stores and rent paid for those stores have been debited to statement of profit and loss.. The Company believes that 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. The management is confident that formal agreements will be signed between the parties shortly and no material liability is expected against the Company in this regard.

46 On November 10, 2022, the Company has acquired business of Limeroad market place from A.M. Marketing Private Limited for increasing the Company's online customer base against purchase consideration of Rs. 3,517 lakhs (net of liabilities assumed of Rs. 3,514 lakhs). Consequent to said business acquisition, all the assets and liabilities of the Limeroad market place business (excluding assets and liability as mentioned in the Business Transfer Agreement) were transferred to and vested in the Company with effect from November 10, 2022. The acquisition was accounted under the business acquisition method prescribed under Ind AS 103 - Business Combinations. Accordingly, pursuant to said business acquisition, following assets and liabilities were identified and recognised by the Company:

Particulars	Amount
Assets :	
Net working Capital	789.00
Property plant and equipment (Refer note 3)	81.24
Computer software (Refer note 4)	10.76
Intangible assets indentified and recognised* (Refer note 4):	
Brand	2,740.00
Technology	3,130.00
Non compete fees	130.00
Total Assets	6,881.00
Liabilities :	
Total Liabilities	(3,514.00)
Total identifiable net assets at fair value (A)	3,367.00
Purchase Consideration paid (B)	3,517.00
Goodwill (B-A)	150.00

* Intangible assets includes following assets valued by an independent valuer:

Particulars	As at November 10, 2022
Brand (A.M. Marketplace has existing business relationship with it key customers under the brand name of LimeRoad business, and Company believes that it will continue to use these assets which will generate future revenue to the Company)	2,740.00
Non-compete fee (Company has entered into an agreement with A.M. Marketplace wherein both the parties have mutually agreed that A.M. Marketplace and its promoters will not enter into competition for at least thirty months from the date of completion of acquisition of LimeRoad business).	130.00
Technology know how (A.M. Marketplace has technology experience and infrastructure to run online marketplace business and the Company believes that these assets will generate future revenue to the Company)	3,130.00
Goodwill represents purchase consideration paid by the Company over and above the value of net assets acquired by the Company as per business transfer agreement agreement entered with A.M. Marketplace dated November 10, 2022. It comprises the value of expected synergies arising from the acquisition which is not separately recognised. Goodwill is allocated entirely to Digital marketplace segment.	150.00

Details of purchase consideration and cash outflow	Amount
Purchase Consideration	
Cash paid as on November 10, 2022	3,517.00
Pending Consideration to be paid as mutually agreed between the parties in share purchase agreement dated November 10, 2022	-
Total consideration	**3,517.00**
Analysis of cash flows on acquisition:	
Transaction costs of the acquisition	185.00
Purchase consideration paid (included in investing activity)	3,517.00
Net cash inflow/(outflow) on acquisition	(3,702.00)

For disclosure related to revenue and profit of the acquiree from the date of acquisition till the reporting date, refer note 37.

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

47 During the current year, fire broke out in one of the retail stores of the Company and the Company incurred losses against Property, plant and equipment and inventory amounting to Rs. 56.02 lakhs and Rs. 99.27 lakhs respectively. The Company has filed claim with the insurance company. The said claim was not approved by the insurance company till date. Accordingly, the Company is carrying provision against losses in the books of account.

48 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, which is netted from rent expenses for the year ended March 31, 2023 of Rs. 231.87 lakhs (Rs. 1,583.79 lakhs which is netted from rent expenses for the year ended March 31, 2022) on account of unconditional rent concessions confirmed in writing by the landlord.

49 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.

50 The Company made an investment in commercial papers of Infrastructure Leasing & Financial Services (IL&FS) in earlier years amounting to Rs. 979.94 lakhs, which were due for redemption on September 18, 2018. The aforesaid amount and interest thereon has not been received as on date. In view of the fact that there is uncertainty on recovery of the entire amount, the management is carrying a provision of full amount Rs. 979.94 lakhs (March 31, 2022 : 979.94 lakhs) against the said investment. The Company, has filled an intervention appeal on February 08, 2019 regarding the same, which is pending for disposals.

51 During the previous year, the Company had purchased certain identified Property, plant and equipment and Inventories from Arvind Lifestyle Brands Limited ("ALBL") (a wholly owned subsidiary of Arvind Fashion Limited). The total value of consideration paid amounted to Rs. 16,895.10 lakhs (net), 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 01, 2021 and the assets so acquired were accounted as asset acquisition.

52 Other Statutory Information for financial year ended March 31, 2023 and March 31, 2022:

(i) The Company does not have any benami property, no proceedings have 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 does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013.

(iii) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period,

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during each financial year.

(v) The Company has 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);

(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, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

(vi) The Company has 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 does not have any such transactions which are not recorded in the books of accounts that have 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.

[This space has been intentionally left Blank]

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

53 Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance (above 25%)
Current ratio (in times)	Current Assets	Current Liabilities	**1.37**	2.27	-39.65%	Decrease due to an increase in the current liabilities in the current year on account of working capital loan.
Debt- Equity Ratio (in times)	Total Debt (including lease liability)*	Shareholder's Equity #	**1.57**	1.06	47.71%	Lease liability has increased in the current year due to an increase in the 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	**0.87**	1.98	-55.99%	Due to working capital loan obtained by the Company.
Return on Equity ratio (in %)	Net Profits after taxes – Preference dividend	Average Shareholder's Equity	**-0.92%**	1.39%	-166.49%	Due to loss incurred in the current year on account of acquisition of Limeroad.
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	**2.08**	1.99	4.31%	Not Applicable
Trade Receivable Turnover Ratio ##	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	**-**	-	-	Not Applicable
Trade Payable Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	**4.62**	5.52	-16.29%	Not Applicable
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	**8.67**	3.30	162.58%	Increase due to an increase in the sales in the current year.
Net Profit ratio (In %)	Net Profit	Net sales = Total sales - sales return	**-0.32%**	0.70%	-145.49%	Due to loss incurred in the current year on account of acquisition of Limeroad.
Return on Capital Employed (in %)	Earnings before interest and taxes (EBIT)	Capital Employed = Tangible Net Worth + Total Debt* -Intangible assets including Goodwill$	**4.90%**	5.00%	-2.00%	Not Applicable
Return on Investment (in %)	Interest (Finance Income)	Investment	**3.76%**	3.17%	18.77%	Not Applicable

* Total Debt includes lease liability
Represents shareholder's fund
The Company is into retail business and there are no trade receivable in the Company, accordingly ratio is not applicable to the Company.
$ intangible assets include right of use assets for the purpose of computation of capital employed.

Notes to financial statements for the year ended March 31, 2023

(All amounts in Rs Lakhs, unless otherwise stated)

54 The Company has been sanctioned working capital limits in excess of Rs 500 lakhs in aggregate from bank during the year on the basis of security of current assets of the Company and quarterly statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

55 The Company was awarded projects, under the 'Deen Dayal Upadhaya-Grameen Kaushalya Yojana' (DDUGKY) from various state governments for encouraging youth employment. Out of total approval received till Balance Sheet date amounting to Rs. 7,031.00 lakhs (March 31, 2022 : Rs. 7,031.00 lakhs), the Company has incurred expenses to the extent of Rs. 5,521.68 lakhs, (March 31, 2022 : Rs. 3,404.82 lakhs). Out of the total expenses incurred, the Company has filed the claims amounting to Rs. 3,532.34 lakhs (March 31, 2022: Rs. 2,011.59 lakhs) and is the process of filing the claim for the remaining amount. Further, against the total claim filed by the Company, the amount received till the balance sheet date amounted to Rs. 2,776.22 lakhs (March 31, 2022 : Rs. 2,179.52 lakhs) and balance amount appearing as other assets amounting to Rs. 2,745.46 lakhs (March 31, 2022: Rs. 1,386.73 lakhs) (Refer note 10). Further, the Company has made provision for credit impairment amounting to Rs. 60.00 lakhs (March 31, 2022: Rs. 19.52 lakhs), in cases where the actual expenditure incurred exceeded the amount of eligible expenditure approved by the respective state governments.

56 The figures for the corresponding previous year have been regrouped/reclassified, wherever necessary. Financial statements of current year includes business operations of Digital market place acquired during the current year. Accordingly, figures of the comparative year are not comparable.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: May 16, 2023

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

Megha Tandon
Company Secretary
Mem. No. F10732

GRI Content Index

Disclosure Number	Information	Reference Link/ Page Number	Remarks
General Disclosures (GRI 2 Series)			
1. The organization and its reporting practices			
Disclosure 2-1	Organizational details	Page Number 2-7, 16-19	
Disclosure 2-2	Entities included in the organization's sustainability reporting	Page Number 1	
Disclosure 2-3	Reporting period, frequency and contact point	Page Number 1	
2. Activities and workers			
Disclosure 2-6	Activities, value chain and other business relationships	Page Number 26-27	
Disclosure 2-7	Employees	Page Number 74-75	
Disclosure 2-8	Workers who are not employees	Page Number 171-172	
3. Governance			
Disclosures 2-9	Governance structure and composition	Page Number 40-41	
Disclosures 2-10	Nomination and selection of the highest governance body	Page Number 40-47, 133 - 136	
Disclosures 2-11	Chair of the highest governance body	Page Number 40-47	
Disclosures 2-12	Role of the highest governance body in overseeing the management of impacts	Page Number 40-47	
Disclosures 2-13	Delegation of responsibility for managing impacts	Page Number 40-47, 180, 195	
Disclosures 2-14	Role of the highest governance body in sustainability reporting	Page Number 40-47	
Disclosures 2-15	Conflicts of interest	Page Number 182-183	
Disclosures 2-16	Communication of critical concerns	Page Number 28-29	
Disclosures 2-17	Collective knowledge of the highest governance body	Page Number 44 - 47, 172, 181	
Disclosures 2-18	Evaluation of the performance of the highest governance body	Page Number 149-150	
Disclosures 2-19	Remuneration policies	Page Number 76, 133-136, 153	
Disclosures 2-20	Process to determine remuneration	Page Number 76, 133-136, 153	
4. Strategy, policies and practices			
Disclosure 2-22	Statement on sustainable development strategy	Page Number 28-29, 34-37	
Disclosure 2-25	Processes to remediate negative impacts	Page Number 104-105, 173-177	
Disclosure 2-26	Mechanisms for seeking advice and raising concerns	Page Number 30 -33	
5. Stakeholder engagement			
Disclusure 2-29	Approach to stakeholder engagement	Page Number 30 -33	
Economic Disclosures (200 Series)			
1. Economic Performance			
Disclosure 201 -1	Direct economic value generated and distributed	Page Number 6-7, 54 - 55	
Disclosure 201 -2	Financial implications and other risks and opportunities due to climate change	Page Number 105-109, 173-177	
Disclosure 201 -3	Defined benefit plan obligations and other retirement plans	Page Number 230-231, 186	
5. Anti-Corruption			
Disclosure 205-1	Operations assessed for risks related to corruption	Page Number 129, 182 ,183	
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	Page Number 129, 182 ,183	
Disclosure 205-3	Confirmed incidents of corruption and actions taken	Page Number 129, 182 ,183	

Disclosure Number	Information	Reference Link/ Page Number	Remarks
7. Tax			
Disclosure 207-1	Approach to tax	Page Number 215, 216, 227	
Disclosure 207-2	Tax governance, control, and risk management	Page Number 105-109, 215, 216, 227	
Disclosure 207-3	Stakeholder engagement and management of concerns related to tax	Page Number 30 -33	
Disclosure 207-4	Country-by-country reporting	Page Number 1, 221	
Environment Disclosures (300 series)			
1. Materials			
Disclosure 301-1	Materials used by weight or volume	Page Number 70-71, 185, 199-200	
Disclosure 301-2	Recycled input materials used	Page Number 70-71, 185, 199-200	
Disclosure 301-3	Reclaimed products and their packaging materials	Page Number 70-71, 185, 200	
2. Energy			
Disclosure 302-1	Energy consumption within the organization	Page Number 68, 176, 198, 201	
Disclosure 302-3	Energy intensity	Page Number 197-198	
Disclosure 302-4	Reduction of energy consumption	Page Number 68, 176, 197-198,201	
Disclosure 302-5	Reductions in energy requirements of products and services	Page Number 68, 176, 197-198, 201	
3. Water and Effulents			
Disclosure 303-1	Interactions with water as a shared resource	Page Number 69, 128, 198, 202-203	
Disclosure 303-2	Management of water discharge-related impacts	Page Number 69, 128, 198, 202-203	
Disclosure 303-3	Water withdrawal	Page Number 69, 128, 198, 202-203	
Disclosure 303-4	Water discharge	Page Number 69, 128, 198, 202-203	
Disclosure 303-5	Water consumption	Page Number 69, 128, 198, 202-203	
5. Emissions			
Disclosure 305-1	Direct (Scope 1) GHG emissions	Page Number 198-199	
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	Page Number 198-199	
6. Waste			
Disclosure 306-1	Waste generation and significant waste-related impacts	Page Number 70, 199-200	
Disclosure 306-2	Management of significant waste-related impacts	Page Number 70, 199-200	
Disclosure 306-3	Waste generated	Page Number 70, 199-200	
Disclosure 306-4	Waste diverted from disposal	Page Number 70, 199-200	
Disclosure 306-5	Waste directed to disposal	Page Number 70, 199-200	
7. Environment Compliances			
Disclosure 307-1	Non-compliance with environmental laws and regulations	Page Number 200-201	

GRI Content Index

Disclosure Number	Information	Reference Link/ Page Number	Remarks
Social Disclosures (400 series)			
1. Employment			
Disclosure 401-1	New employee hires and employee turnover	Page Number 26, 172	
Disclosure 401-3	Parental leave	Page Number 76, 186-187	
3. Occupational health and safety			
Disclosure 403-1	Occupational health and safety management system	Page Number 76, 189	
Disclosure 403-6	Promotion of worker health	Page Number 76, 189	
Disclosure 403-8	Workers covered by an occupational health and safety management system	Page Number 76, 189	
4. Training and Education			
Disclosure 404-1	Average hours of training per year per employee	Page Number 76	
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	Page Number 75-76	
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	Page Number 188	
5. Diversity and Equal Opportunity			
Disclosure 405-1	Diversity of governance bodies and employees	Page Number 171-172	
Disclosure 405-2	Ratio of basic salary and remuneration of women to men	Page Number 195	
8. Child labor			
Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labor	Page Number 196-197	
9. Forced or Compulsory Labor			
Disclosure 409-1	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page Number 196-197	
12. Human Rights Assessment			
Disclosure 412-1	Operations that have been subject to human rights reviews or impact assessments	Page Number 196-197	
Disclosure 412-2	Employee training on human rights policies or procedures	Page Number 181, 183, 194-195	
13. Local Communities			
Disclosure 413-1	Operations with local community engagement, impact assessments, and development programs	Page Number 81-85	
17. Marketing and Labeling			
Disclosure 417-1	Requirements for product and service information and labeling	Page Number 200, 210	
18. Customer Privacy			
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page Number 106, 129, 175, 209-210.	



www.vmartretail.com

/concept, content and design at **AICL** (hello@aicl.in)