



V2 RETAIL LIMITED

Annual Report 2014-15

BOARD OF DIRECTORS

Mr. Ram Chandra Agarwal : Chairman & Managing Director
Mrs. Uma Agarwal : Executive Director
Mr. Sourabh Kumar : Independent Director
Mr. Rohit Singh Rautela : Independent Director
Mr. Ravinder Kumar Sharma : Independent Director

CHIEF EXECUTIVE OFFICER

Mr. Manshu Tandon : Chief Executive Officer

CHIEF FINANCIAL OFFICER

Mr. Varun Kumar Singh : Chief Financial Officer

COMPANY SECRETARY

Mr. Yatish Bhardwaj : Company Secretary

STATUTORY AUDITORS

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

REGISTERED & CORPORATE OFFICE

Plot No. 8, Pocket-2, Block-A, Khasra No. 335-336,
Rangpuri Extensions, NH-8, New Delhi 110 037
Website: www.v2retail.com,
E-mail: customercare@vrl.net.in
CIN NO. : L74999DL2001PLC147724
Phone : (011) -32316262

REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup(W)
Mumbai -400 018
Phone: (022) -25963838
Fax: (022)-25946969
Email: delhi@linkintime.co.in

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DIRECTORS' REPORT

To
The Members,
V2 Retail Limited

Your Directors are delighted to present their Report on Company's Business Operations along with the Audited Statement of Accounts for the Financial Year ended March 31, 2015.

FINANCIAL HIGHLIGHTS

Your Company's financial performance for the year under review has been encouraging. Key aspects of Consolidated Financial Performance for V2 Retail Limited and its Subsidiary Companies and Standalone Financial Results for V2 Retail Limited for the current financial year 2014 - 15 along with the previous financial year 2013-14 are tabulated below:

PARTICULARS	Consolidated		Standalone	
	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2014
Revenue from Operations (net)	2,86,76,76,687	2,28,89,23,173	2,86,76,76,686	2,28,89,23,173
Other Income	2,51,82,460	2,20,65,952	2,51,82,463	2,20,65,952
Total Income	2,89,28,59,147	2,31,09,89,125	2,89,28,59,149	2,31,09,89,125
Operating Expenditure (total expenditure)	2,59,02,08,176	2,24,65,14,960	2,59,02,59,711	2,24,64,91,524
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	30,26,50,971	6,44,74,165	30,25,99,438	6,44,97,601
Depreciation and Amortization Expenses	2,08,78,941	3,48,18,899	2,08,78,941	3,48,18,899
Finance Cost	9,74,89,039	8,05,46,118	9,74,89,039	8,05,46,118
Profit before Exceptional Items and Tax				
Exceptional Items - Foreign Exchange Fluctuation (Gain)/Loss	Nil	Nil	Nil	Nil
Profit before Tax (PBT)	18,42,82,991	(5,08,90,852)	18,42,31,458	(5,08,67,416)
Tax expense:				
Current Year	Nil	Nil	Nil	Nil
Earlier Year	Nil	(58,54,152)	Nil	(58,54,152)
Deferred Tax	8,69,35,110	(17,21,868)	8,69,18,390	(16,70,481)
Profit After Tax (PAT)	9,73,47,881	(4,33,14,832)	9,73,13,068	(4,33,42,783)
Prior period expenses / (income)	(1,99,832)	17,33,385	(1,99,832)	17,33,385
Closing Balance of P&L A/c	9,75,47,713	(4,50,48,217)	9,75,12,900	(4,50,76,168)
EARNING PER EQUITY SHARE (Face Value of Rs. 10/- each)				
i) Basic	4.13	(1.93)	4.14	(1.94)
ii) Diluted	3.69	(1.93)	3.70	(1.94)

(Rs. In Lacs, Except Per Share Data)

FINANCIAL PERFORMANCE REVIEW

The Indian retail industry has experienced high growth over the last decade with a noticeable shift towards organized retailing formats. During the year the company has increased its turnover from Rs. 2,31,09,89,125 to Rs. 2,89,28,59,149 compared to previous year. The Company has significantly generates profits for its stakeholders. The overall retail market continues to grow and consumer aspiration for a better service environment still remains intact. Your company continues to endeavor to reinstate its growth pattern in the retail industry with a chain of stores under the 'V2' brand in the Retail Industry.

Further, the company is planning to enter in to a new business segment i.e. e-commerce segment, to strengthen its operating revenue and business performance.

DIVIDEND

Keeping in view of the non profitability of the previous year, your directors do not propose to declare any dividend for this year.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

The Company had 3 subsidiaries during the financial year 2014-15. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

During the year, the process of closure of following 50% Share Holding, which were not in operation, has been initiated and the same were applied to the Registrar of Companies to strike-off their names from its Register as follows:

1. VRL Infrastructure Limited

2. VRL Movers Limited
3. VRL Retail Ventures Limited

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

TRANSFER TO RESERVES

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

SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2015 was Rs. 23.57 Crores. Further, an allotment of equity shares amounting to Rs. 1.17 Crores have been made during the year.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

Pursuant to the provisions of Section 205C of the Companies Act, 1956, your Company has not transferred any amount during the year 2014-15 to the Investor Education and Protection Fund.

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

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended March 31, 2015.

However, the Company is planning to broaden its operation by adding e-commerce as its new business segment for strengthening its product base and to reach amongst the larger consumer base to enhance its turnover and operating revenue.

SEGMENT REPORTING

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

CASH FLOW ANALYSIS

The Cash Flow Statement for the year, under reference in terms of Clause 32 of the Listing Agreement entered by the Company with the Stock Exchanges, is annexed with the Annual Accounts of the Company.

SUBSIDIARY COMPANY

Pursuant to Section 129(3) of the Companies Act, 2013 and Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company includes the Financial Statements of its Subsidiaries.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the applicable provisions of Companies Act, 2013 and the Accounting Standard AS-21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2014-15.

BOARD OF DIRECTORS

The Members of the Company at the 13th Annual General Meeting held on 29th September, 2014, had approved appointment of Mr. Ravinder Kumar Sharma and Mr. Rohit Singh Rautela, as an Independent Directors of the Company to hold office for five consecutive years with effect from the date of the Annual General Meeting upto September 29th, 2019 with an option to retire from the office at any time during the term of appointment. The Company has also issued letter of appointment to all the Independent Directors as per Schedule IV to the Companies Act, 2013.

Mr. Ravinder Kumar Sharma and Mr. Rohit Singh Rautela were appointed as an additional Independent Director w.e.f. 14th April, 2014, in the meeting of Board of Directors held on 31st March, 2014.

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 all directors except Independent Directors are liable to be retire by rotation.

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In accordance with the provisions of Section 152 of the Companies Act, 2013 and the proposed amended Articles of Association of the Company, Smt. Uma Agarwal, Director, retiring by rotation at the ensuing Annual General Meeting, is eligible for re-appointment.

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

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

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

1. Ram Chandra Agarwal: Managing Director
2. Uma Agarwal: Whole-time Director
3. Manshu Tandon: Chief Executive Officer
4. Yatish Bhardwaj: Company Secretary*
5. Varun Kumar Singh: Chief Financial Officer

Mr. Dinesh Kumar Malpani was appointed as CEO of the Company w. e. f. 14th April, 2014 whereas he resigned as CEO of the Company w.e.f. 04th August, 2014. Mr. Manshu Tandon was appointed as CEO of the Company w.e.f. 08th January, 2015.

*Mr. Yatish Bhardwaj has resigned from the post of Company Secretary w. e. f. 03.08.2015.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

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

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2014-15, 13 (Thirteen) number of Board meetings were held. For details thereof kindly refer to the section 'Board Meeting and Procedures - Details of Board Meetings held and attended by the directors during the financial year 2014-15, in the Corporate Governance Report.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

The Companies Act, 2013, notified on April 1, 2014, not only mandates board and director evaluation, but also requires the evaluation to be formal, regular and transparent. Subsequently, through two circulars (dated April 17, 2014 and September 15, 2014), SEBI has also revised the Equity Listing Agreement, to bring the requirements on this subject in line with the Act.

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in the preparation of the Annual Accounts for the year ended March 31, 2015, the applicable Accounting standards have been followed and that there are no material departures;

2. that appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs as at March 31, 2015 and of the profit of the Company for the Financial year ended March 31, 2015;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That the annual accounts for the year ended March 31, 2015 have been prepared on a going concern basis.
5. That they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 read with Listing Agreement.

OPERATIONS, PERFORMANCE AND FUTURE OUTLOOK OF THE COMPANY

A detailed review of operations, performance and future outlook of the Company is given separately under the head "Management Discussion & Analysis" pursuant to Clause 49 of the Listing Agreement is annexed and forms part of this Annual Report.

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

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

PARTICULARS OF REMUNERATION OF DIRECTORS AND KMP'S

A statement containing the details of the Remuneration of Directors and KMP's as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as 'Annexure 3' which forms part of this Report.

EXTRACT OF ANNUAL RETURN

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

AUDITORS AND AUDITORS' REPORT

M/s. AKGVG & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 139(2) and 142(1) of the Companies Act, 2013. The Board recommends their appointment.

The Auditor's have put certain qualifications to which the management has put forward the following below mentioned replies;

Qualification and response to Auditor's Report

1. Attention is invited to note 4 of these financial statements, included in capital reserve amounting to Rs. 60,523.24/-lacs, is Rs. 42,942/-lacs arising out of transfer of asset and liabilities to the acquiring companies in earlier years for which necessary reconciliation/information to the tune of Rs 372.24/-lacs is not available with the company. Accordingly in the absence of the same, we are unable to comment on the appropriateness of capital reserve including consequential impact, if any, arising out of the same on these financial statements.

Management Response:

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

2. *As stated in these quarterly financial results, the Company has outstanding short-term borrowings at the year-end due to a lender which include overdue principal and interest for which necessary supporting documents for balance confirmation at the year end and relevant information with relation to rate of interest is not available with the Company. In the absence of the same, we are unable to comment on appropriateness of the same.*

Management Response:

The interest expense has been recognised in the Books of Account on the basis of the figure provided by the concerned lender in May 2012, in relation to balances as on 31st March 2012. The matter in respect of rate of interest is pending with DRT-II, Kolkata. Impact on Profit & Loss account cannot be quantified till the matter is disposed off by DRT-II, Kolkata.

3. *As stated in these quarterly financial results, the Company has recognized Rs. 26,237.25/- lacs as deferred tax assets at the year-end for which it does not have virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized in accordance with the principles of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Had the company not recognized such deferred tax asset, impact on profit and loss account would have been decrease in profit during the year by Rs. 26,237.25/- lacs and decrease in Reserves and Surplus by Rs. 26,237.25/-lacs.*

Management Response:

The Company has started to earn profits, the Company has earned profits after tax of Rs. 975 Lacs during last year and Rs. 477.12 Lacs during quarter ending 30th June 2015 resulting in reversal of Deferred Tax Assets by a sum of Rs. 869 Lacs during last year and 340.38 Lacs during quarter ending 30th June 2015. The rest amount will be reversed in due course of business.

4. *As stated in Note 6 of these quarterly financial results, the Company has disclosed contingent liabilities on account of appeals with various statutory authorities at different levels amounting to Rs. 16,938.11/- lacs for which necessary information is not available with the Company to reliably ascertain estimated amount of such liabilities and consequential impact thereof on these quarterly financial results in accordance with Accounting Standard-29-'Provisions, Contingent Liabilities and Contingent Assets' issued by the Institute of Chartered Accountants of India. Hence, we are unable to comment on the same.*

Management Response:

The Contingent Liabilities of Rs. 16,957.11 Lacs are under appeal with different authorities at different levels. The chances of these obligations are very remote even recently we have been awarded an order in our favour by Hon'ble Delhi High Court, quashing a demand of about 1,100 Lacs. Impact on Profit & Loss account cannot be ascertained till the matter is pending with different government authorities.

5. *As stated in these quarterly financial results, the company has year-end inventory of traded goods amounting to Rs. 4,265.95lacs in its warehouse at Mubarikpur, Haryana for which the company does not have proper records for physical verification as at 31st March 2015. Further, this inventory was not physically verified by us at the year-end as the company was in process of shifting such goods to its new warehouse as mentioned above. Hence, we are unable to comment on the existence of the same.*

Management Response:

The Company has shifted its warehouse from Manesar to Mubarikpur (Haryana) in the month of February 2015. Due to shifting process it was not possible for the company and auditors to physically verify the inventory. The Company has started stock taking process and process for reconciliation of such inventory internally which will be finalized in due course.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s NSP & Associates, Company Secretaries, New Delhi to undertake the Secretarial Audit of the Company.

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

CORPORATE GOVERNANCE

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Board inform you that provisions of Section 135 of the Companies Act, 2013 were not applicable on the Company for the Financial Year under review. However, the Board is committed towards its social responsibility and shall follow the provisions as and when it becomes applicable on the Company.

INTERNAL FINANCIAL CONTROL SYSTEM

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a well placed, proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. Your Company has appointed M/s. RHSN & Associates, Chartered Accountant, as the Internal Auditors of the Company to conduct the Internal Audit Functions w.e.f July 01, 2014. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report.

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

An external independent firm carries out the internal audit of the Company operations and reports its findings to the Audit Committee on a regular basis. Internal Audit also evaluates the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness through periodic reporting.

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

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

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

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

PUBLIC DEPOSITS

The Company has neither accepted nor renewed any deposits during the Financial Year 2014-15 in terms of Chapter V of the Companies Act, 2013.

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PERSONNEL

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

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

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

DEPOSITORY SYSTEMS

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2015, 19753277 Equity Shares stand with the NSDL Account and 3665188 Equity Shares with the CDSL and 159284 Equity Shares stands in physical form.

Your Company has established connectivity with both depositories – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, member holding Shares in physical mode are requested to avail of the dematerialization facility with either of the depositories.

Your Company has appointed M/s. Link Intime India Private Limited, a Category-I SEBI registered R&T Agent as its Registrar and Share Transfer Agent across physical and electronic alternative..

CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES

The Company's shares are listed and actively traded on the below mentioned Stock Exchanges:-

I. National Stock Exchange of India Limited (NSE)

"Exchange Plaza" C-1, Block G,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051

II. BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400001

Further, there was change in the capital structure in the Company as an allotment of equity shares amounting to Rs. 1.17 Crores have been made during the year.

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

During the financial year ended March 31, 2015 the Company has neither made any investments nor given any loans or guarantees or provided any security.

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

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

Weblink:

http://www.v2retail.com/admins/pic/2015_05_18_10_38_52_Related%20Party%20Transaction%20Policy.pdf

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Listing Agreement. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under Clause 49 of the Listing Agreement.

DISCLOSURE ON VIGIL MECHANISM (Whistle Blower Policy)

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

The Vigil Mechanism, as approved by the Board, is uploaded on the Company's website at the web link:

http://www.v2retail.com/admins/pic/2015_05_18_10_39_12_WHISTLE%20BLOWER%20POLICY.pdf

DISCLOSURE ON DEPOSIT UNDER CHAPTER V

The Company has neither accepted nor renewed any deposits during the Financial Year 2014-15 in terms of Chapter V of the Companies Act, 2013.

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

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

INDUSTRIAL RELATIONS

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of Employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders

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

Sd-

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

**Date: 28.08.2015
Place: New Delhi**

**ADDRESS: B1-801, Lagoon Apartment,
Ambience Island, Gurgaon- 122002, Haryana**

Annexure-1

NOMINATION AND REMUNERATION POLICY

The Board has delegated to the Nomination and Remuneration Committee in consultation with the Chairman of the Board, the responsibility for identifying and recommending to the Board, candidates for the Board, after considering the necessary and desirable competencies for new Board members.

Policy for Appointment and Re-Appointment of Director

The Board believes that its membership should comprise directors with an appropriate mix of skills, experience and personal attributes that will best complement board effectiveness, cohesion and diversity and allow the directors to individually, and as a Board collectively, to:

- Discharge their responsibilities and duties under the law effectively and efficiently;
- Assess the performance of management in meeting those objectives and goals.

Accordingly, in selecting potential new directors, the Nominations and Remuneration committee will seek to identify the competencies required to enable the Board to fulfill its responsibilities. In doing so, the Committee will have regard to the results of the annual appraisal of the Board's performance.

While recognizing that each director will not necessarily fulfill all criteria, the Nominations and Remuneration Committee have identified the following fundamental factors as relevant to the selection and appointment of new directors:

- Outstanding in capability with extensive and senior commercial experience;
- High level of personal integrity; and
- Time available to meet the commitment required.

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Remuneration payable to Managing and Whole Time Director

The Managing Director and Whole-Time Director are not getting any kind of monetary remuneration from the Company whereas, the company subject to approval of the members of the Company may provide the remuneration thereto.

The annual increments and performance incentive of the Managing Directors and other whole time directors are linked to their performance and are decided by the Nomination and Remuneration Committee from time to time.

Remuneration payable to Non-Executive Directors

The Non-Executive Directors will be paid with the sitting fee, if any, subject to the approval of board of directors/including any sub-committee thereof, upto the limit as specified under Companies Act 2013 and also in Compliance with the Listing Agreement.

Evaluation

In addition to an annual self-evaluation by the remuneration committee, the board must review the effectiveness of the Committee annually.

Amendments

This policy can be modified or repealed at any time by the Board of Directors of the Company.

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

Sd-

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

**Date: 28.08.2015
Place: New Delhi**

**ADDRESS: B1-801, Lagoon Apartment,
Ambience Island, Gurgaon- 122002, Haryana**

Annexure-2

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule, 1988 and forming part of the Directors' Report

A CONSERVATION OF ENERGY

Conservation of Energy

- i. Energy Conservation Measures taken: Energy conservation efforts are ongoing activities. During the year under review, further efforts were made to ensure optimum utilization of fuel and electricity.
- ii. Additional investments and proposals, if any, being implemented for reduction of consumption of energy : Nil
- iii. Impact of measures at (i) & (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods- Nil
- iv. Total energy consumption and energy consumption per unit of production as per Form 'A'

FORM A of "THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988"

Power and fuel Consumption	2014-15	2013-14
Electricity		
Purchased		
Unit	*	*
Total Amount	50026794	47014873
Rate/Unit	*	*
Furnace Oil		
Quantity (tones)	NIL	NIL
Total cost	NIL	NIL
Average rate	NIL	NIL
HSD		
Quantity (tones)	NIL	NIL
Total cost	NIL	NIL
Average rate	NIL	NIL

*Due to scattered stores, information could not be determined.

Foreign Exchange Earnings and outgo

The Company is not indulge into export of goods. No activities relating to exports have been undertaken by the Company during the financial year 2014-2015.

Particulars	2014-15	2013-14
Foreign Exchange Outgo		
Traveling	215,092	41,517
Consultancy	Nil	Nil
Others	Nil	Nil
Imports		
Raw Materials	Nil	Nil
Finished Goods	Nil	Nil
Capital Goods	Nil	Nil
Others		
Foreign Exchange Earnings		
Earnings in foreign exchange	Nil	Nil

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

Sd-

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

**Date: 28.08.2015
Place: New Delhi**

**ADDRESS: B1-801, Lagoon Apartment,
Ambience Island, Gurgaon- 122002, Haryana**

Annexure-3

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

PARTICULARS OF REMUNERATION

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

S. No.	Nature of Directorships Held & Name of Directors	Ratio of Median Remuneration
1	Executive Directors	
a)	Mr. Ram Chandra Agarwal	Nil
b)	Smt. Uma Agarwal	Nil
2	Non-Executive Directors	
a)	Mr. Sourabh Kumar	Nil
b)	Mr. Rohit Singh Rautela	Nil
c)	Mr. Ravinder Kumar Sharma	Nil

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

S.No.	Name of Person	% Increase in remuneration
1	Mr. Ram Chandra Agarwal	Nil
2	Smt. Uma Agarwal	Nil
3.	Mr. Sourabh Kumar	Nil
4.	Mr. Rohit Singh Rautela	Nil
5.	Mr. Ravinder Kumar Sharma	Nil
6.	Mr. Manshu Tandon, CEO	Nil
7.	Mr. Varun Kumar Singh, CFO	Nil
8.	Mr. Yatish Bhardhwaj, Company Secretary	Nil

- c) the percentage increase in the median remuneration of employees in the financial year:- 10%

- d) the number of permanent employees on the rolls of company: 1340

- e) the explanation on the relationship between average increase in remuneration and company performance: On an average, employees received an increase of 18%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

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f) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Remuneration of Key Managerial Personnel (KMP) during financial year 2014-15 aggregated)	Rs. 33.21
Revenue from operations	Rs. 28,928.59
Remuneration (as % of revenue)	0.11%
Profit before tax (PBT)	Rs. 1,842.31
Remuneration (as % of PBT)	1.80 %

g) variations in the market capitalization of the Company, price earnings ratio, Earning Per Share (EPS) and percentage increase in the market share of the Company as at the closing rate of the current financial year and previous financial year;

Particulars	Unit	As at March 31,2015	As at March 31,2014	Variation
Closing rate of share at BSE	Rs.	Rs. 32.65	Rs. 15.22	114.52%
EPS (Consolidated)	Rs.	4.13	(1.93)	213.99%
Market Capitalization	Rs./lac	7698.13	3409.11	125.81%
Price Earnings ratio	Ratio	7.91	(7.89)	200.25%

h) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in salaries of employees other than managerial personnel in 2014-15 was 18%. Percentage increase in the managerial remuneration for the year was 2%

l) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company

Particulars	Executive Directors	Chief Financial Officer	Chief Executive Officer	Company Secretary
	Rs./lac	Rs./lac	Rs./lac	Rs./lac
Remuneration	NIL	Rs. 764,100	Rs. 1,176,626	Rs. 480,000
Revenue	Rs. 2,892,859,149	Rs. 2,892,859,149	Rs. 2,892,859,149	Rs. 2,892,859,149
Remuneration (as % of revenue)	NIL	0.03%	0.04%	0.02%
Profits before tax (PBT)	Rs. 184,231,458	Rs. 184,231,458	Rs. 184,231,458	Rs. 184,231,458
Remuneration (as % of PBT)	NIL	0.41%	0.64%	0.26%

j) the key parameters for any variable component of remuneration availed by the directors;

Not applicable.

k) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

Not applicable.

l) affirmation that the remuneration is as per the remuneration policy of the Company

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavors to attract, retain, develop and motivate a high performance staff. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

15. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L74999DL2001PLC147724
ii.	Registration Date:	23/07/2001
iii.	Name of the Company	V2 RETAIL LIMITED
iv.	Category / Sub-Category of the Company	Public Limited company /Indian Non Government Company
v.	Address of the Registered office and contact details	Plot No. 8, Pocket-2, Block-A, Rangpuri Extensions, NH-8, Delhi – 110037 Tel : (011) 32316262 Email id- cs@vrl.net.in Website : www.v2retail.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any –	Link Intime India Private LimitedC-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup(W) Mumbai -400 018 Phone: (022) -25963838 Fax: (022)-25946969 Email: delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name & Description of main products/services	NIC Code of the product /service	% to total turnover of the Company
1	To carry on the business as traders, dealers, whole sellers, agents, distributors, consignors, consignee, retailers, job work, scourers, spinners, weavers, finishers, dyer, tailors and drapers, cutters, import and export of all garments of gentlemen, ladies and Children	Main Division 52 Group523 Class 5232	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

The Company had 3 subsidiaries during the financial year 2014-15. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

During the year, the process of closure of following wholly-owned subsidiaries, which were not in operation, were applied to the Registrar of Companies to strike-off their names from its Register, are as follows:

1. VRL Infrastructure Limited
2. VRL Movers Limited
3. VRL Retail Ventures Limited

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IV. SHAREHOLDING PATTERN (Equity share capital break up as % to total equity)

(i) Category wise share holding

Category of shareholders	No. of shares held at the beginning of the year (As on April, 01, 2014)				No. of shares held at the end of the year (As on March 31, 2015)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS									
(1) Indian									
Individuals/HUF	1218161	0	1218161	5.44	2397041	0	2397041	10.17	49.18
Central Govt./ State Govt.	0	0	0	0	0	0	0	0	0
Bodies Corporate	11344710	248000	11592710	51.76	11592710	0	11592710	49.17	0
Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	12562871	248000	12810871	57.19	13989751	0	13989751	59.34	49.18
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	12562871	248000	12810871	57.19	13989751	0	13989751	59.34	49.18
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
c) Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
e) Insurance Companies	0	0	0	0	0	0	0	0	0
f) Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
h) Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
i) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
i) Any Other (Specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
l) Indian	0	0	0	0	0	0	0	0	0
ii) Bodies Corporate	1717479	0	1717479	7.67	1463398	0	1463398	6.21	-17.36
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5400217	9284	5409501	24.15	4931943	9284	4941227	20.96	-9.48
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1824922	150000	1974922	8.82	2629511	150000	2779511	11.79	28.95
Foreign Nationals	0	0	0	0	0	0	0	0	0
NRI	206921	0	206921	0.92	339037	0	339037	1.44	38.97
Clearing House/Clearing Member	76080	0	76080	0.34	64825	0	64825	0.27	-17.36
Limited Liability Partnership/HUF	203094	0	203094	0.91	0	0	0	0	-100
Trust	1	-	1	0.00	0	0	0	0	100
Sub-total (B)(2):-	9428714	159284	9587998	42.81	9428714	159284	9587998	40.67	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	9428714	159284	9587998	42.81	9428714	159284	9587998	40.67	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	21991585	407284	22398869	100	23418465	159284	23577749	100	5

(ii) Share holding of promoters

S. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
	Individuals/HUF							
1.	Akash Agarwal	0	0	0	1178880	04.99	0	100%
2.	Ram Chandra Agarwal	719161	03.21	718694	719161	03.05	718694	0
3.	Ram Chandra Agarwal (HUF)	155000	00.69	0	155000	00.66	0	0
4.	Uma Agarwal	344000	01.54	315000	344000	01.45	315000	0
	Bodies Corporates							
1.	Unicon Marketing Private Limited	5444710	24.31	5444500	5444710	23.09	5444500	0
2.	Ricon Commodities Private Limited	4940000	22.05	4939500	4940000	20.95	4939500	0
3.	Sunita Fashion Pvt. Ltd.	248000	01.11	0	248000	01.05	0	0
4.	Vishal Waterworld Pvt. Ltd.	960000	04.29	959500	960000	04.07	959500	0
	Total	12810871	57.20	12377194	13989751	59.31	12377194	-0.04

(iii) Change in promoters' shareholding (Specify if there is no change)

Particulars	Share holding at the beginning of the Year		Cumulative share holding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	12810871	57.19	12810871	57.19
Allotment as 20.01.2015	1178880	04.99	1178880	04.99
At the End of the year	13989751	59.32	13989751	59.32

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

S. No.	Shareholder's name	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Dharmesh Bhavanji Haria	0	0.00%	196,172.00	0.83%	196172	0.83%
2	Kanakdhara Traders Pvt. Ltd.	250000	1.12%	(90,070.00)	-0.38%	159930	0.68%
3	Vivek Chand Burman	139172	0.62%	-	0.00%	139172	0.59%
4	Share India Securities Limited	2400	0.01%	112,982.00	0.48%	115382	0.49%
5	Suvidhi Capital Markets Limited	0	0.00%	100,000.00	0.42%	100000	0.42%
6	Kantilal G Gowani	97418	0.43%	-	0.00%	97418	0.41%
7	Premier Shares Limited	0	0.00%	88,962.00	0.38%	88962	0.38%
8	Noesis Ventures Pvt Ltd	88000	0.39%	-	0.00%	88000	0.37%
9	Alka GoenkaRahul Goenka	87400	0.39%	-	0.00%	87400	0.37%
10	Kayalvizhi Balachandran	0	0.00%	84,751.00	0.36%	84751	0.36%

The above details are given as on March 31, 2015. The Company is listed and 99.32% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders are due to market operations. Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year.

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholder's name	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total Shares of the Company	Date of Change and No. of Shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
Directors							
1.	Rohit Singh Rautela	0	0	There is no change in the Shareholding of Directors during the year 2014-15		0	0
2.	Ravinder Kumar Sharma	0	0			0	0
3.	Sourabh Kumar	0	0			0	0
4.	Uma Agarwal	344000	01.54			344000	01.46
5.	Ram Chandra Agarwal	719161	03.21			719161	03.05
Key Managerial Personnel							
7.	Manshu Tandon	0	0	0		0	0
8.	Varun Kumar Singh	0	0	0		0	0
9.	Yatish Bhardwaj	0	0	0		0	0

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(Amount in ₹ Lacs)

(V) INDEBTEDNESS

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

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	i) 194,800,000	i) 335,207,756		i) 530,007,756
ii) Interest due but not paid	ii) 262,122,488	ii) 2,119,084		ii) 264,241,572
iii) Interest accrued but not due	iii) 0	iii) 0		iii) 0
Total (i+ii+iii)	456,922,488	337,326,840		794,249,328
Change in Indebtedness during the financial year				
• Addition	i) 80,231,875	i) 392,103,262		i) 472,335,137
• Reduction		ii) 574,710,015		ii) 574,710,015
Net Change	80,231,875	(182,606,753)		(102,374,878)
Indebtedness at the end of the financial year				
i) Principal Amount	i) 194,800,000	i) 149,700,000		i) 344,500,000
ii) Interest due but not paid	ii) 342,354,363	ii) 5,020,087		ii) 347,374,450
iii) Interest accrued but not due				
Total (i+ii+iii)	537,154,363	154,720,087		691,874,450

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole-time directors

Sl. no	Particulars of Remuneration	Name of the Managing Directors and Whole-time Directors		Total Amount (In Rs. Lacs)
		Mr. Ram Chandra Agarwal	Mrs. Uma Agarwal	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission -as % of profit -Other, specify	NIL	NIL	NIL
5	Other, please specify	NIL	NIL	NIL
	Total (A)	NIL	NIL	NIL
	Ceiling as per the Act			

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B. Remuneration to other directors:

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

* The Above Remuneration is excluding Service Tax.

C. Remuneration to Key Managerial Personnel Other than Managing Director and Whole-time Directors

(In Rs.)

S. No	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Manshu Tandon, CEO	Mr. Varun Kumar Singh, CFO	Mr. Yatish Bhardwaj, Company Secretary	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1,176,626	764,100	480,000	2,420,726
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission-as % of profit-Other, specify	-	-	-	-
5.	Other, please specify	-	-	-	-
	Total (A)	1,176,626	764,100	480,000	2,420,726

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VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY	NIL				
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
V2 RETAIL LIMITED
CIN: L74999DL2001PLC147724
Address: Plot No. 8, Pocket-2, Block-A
Rangpuri Extensions, NH-8
Delhi - 110037

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by V2 RETAIL LIMITED ("hereinafter called as the Company/ Company"). The Company is a listed Company, having CIN L74999DL2001PLC147724. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the financial year from 01st April, 2014 to 31st March, 2015 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

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

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

- a. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc..

- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We have checked the compliance management system of the Company, to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

We further report that, systems and processes in the Company need to be strengthened commensurate with the size and operations of the Company to monitor and ensure compliance with its applicable laws, rules, regulations and guidelines.

We further report that, during the audit period-

- a) We come to know about a point as follows:

- i. **Listing Agreement:**

- i. *248,000 Equity shares of Bodies Corporate falling within the promoter group was in the physical mode. However, the company have dematerialized the same as on 04th November, 2014 as shown in the shareholding pattern.*

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

- (i) Public/Rights/Preferential issue of debentures/sweat equity except, the Company has made Allotment of 1178880 Equity Shares @ Rs. 10 upon conversion of 4.9968% Warrants issued on 04-04-2014 (Total 3952720 Warrants).
- (ii) Redemption/Buy back of securities.
- (iii) Merger/Amalgamation/Reconstruction.
- (iv) Foreign technical collaborations.

For NSP & Associates
(Practicing Company Secretaries)

Sd-
CS Naveen Shree Pandey
M. No.: ACS-29126,
C.P. No.: 10937

Date: 31.07.2015
Place: New Delhi

Annexure – 6

Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENT

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

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

India is the 5th most favorable destination for international retailers. Of the total Indian retail market, 8% constitutes the organized retail segment which is estimated to grow at a rate of almost 30% by 2015, and hence at a much faster pace than the overall retail market which is forecast to grow by 16% in the same period. Clothing & Apparel make up almost a third of the organized retail segment, followed by Food & Grocery and Consumer Electronics. India currently has a small penetration within the organized retail segment as compared to other emerging markets such as China, which has a penetration of more than 20% within organized retail according to the Global Retail Index report by the World Retail Conference.

India has one of the largest numbers of retail outlets in the world.

The sector is witnessing exponential growth, with retail development taking place not only in major cities and metros, but also in Tier-II and Tier-III cities. Indian market has high complexities in terms of a wide geographic spread and distinct consumer preferences varying by each region necessitating a need for localization even within the geographic zones. India has highest number of outlets per person (7 per thousand) Indian retail space per capita at 2 sq ft (0.19 m2)/ person is lowest in the world Indian retail density of 6 percent is highest in the world.[38] 1.8 million households in India have an annual income of over 4.5 million

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

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

The foreign direct investment (FDI) inflows in single-brand retail trading during April 2000 to December 2012 stood at US\$ 95.36 million, as per the data released by Department of Industrial Policy and Promotion (DIPP). The overall Indian retail sector is expected to grow 9 per cent in 2012-16, with organized retail growing at 24 per cent or three times the pace of traditional retail (which is expected to expand at 8 per cent).

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

KEY GROWTH DRIVERS OF RETAIL INDUSTRY

The growth factors of the retail sector of Indian economy:

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

OPPORTUNITIES & THREATS

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

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

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

However the Economic Slowdown may affect the direct consumption which may affect the Retail Industry.

STRENGTHS

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

- Improvement in Information Technology and supply chain.
- To retain the existing customers and to promote the brand name of V2 Retail Limited.
- Placing right people at the right job being talented professionals, especially at the middle-management level.
- Employing standard security features such as CCTVs, POS systems and anti-shoplifting systems for greater control over fraud and theft to curb employee pilferage, shoplifting, vendor frauds and inaccuracy in supervision and administration.
- Strong focuses on system & processes.
- Strong distribution and logistics network supply chain. Strong Bargaining Strength.
- Strategic planning is must in order to keep aside the cut-throat competition in context of various corporate restructuring, market segmentation, creativity and innovation with regard to new launch of product and services.

PRODUCT WISE PERFORMANCE

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

Future Outlook and Strategies

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

Risks and Concerns

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

Increase in Competition to Impact Margins

With the entry of big players in retail Industry due to the permissible 100% FDI in Single Brand Retailing and 51% in multi brand retailing, the competition will become intense. Increase in competition is expected to alter the dynamics of business and further sustaining/ acquiring space and manpower resources.

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

Higher rentals

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

Internal Control Systems and Their Adequacy

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

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

These internal control procedures ensure the following:

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

HUMAN RESOURCE MANAGEMENT

We firmly believe that employee's training, motivation, development, and engagement are key aspects of good human resources management. We provide several forums and communication channels for our employees to not only share their points of view and feedback related to our business, but also share feedback on self development and career advancement. These forums have helped us identify and implement a number of structural changes during the year. These included compensation revision across the organization, streamlining of compensation structure, quarterly cycles of promotion and progression, and rotation of onsite assignments. Providing opportunities for employees to interact with senior management through innovative interventions such as "Just a Minute" Session (JAM) with the Management, town hall events across campuses and priority mailers notifying employees about every organizational change and development are a few of the measures taken to boost communication with employees. Rewarding and recognizing consistent superior performance is essential to build a stronger V2 RETAIL. This year, we introduced the concept of "Employee of the Month" program, which is designed exclusively to identify high performers and provide them challenging opportunities to grow faster within the organization.

COMPANY PERFORMANCE REVIEW

Your Company has reported a Net profit after tax of Rs. 97 Millions before adjustment of the prior period expenses during the financial year ended March 31, 2015.

The turnover from operations of the company during the financial year ended March 31, 2015 Rs. 2892 Mn as compared to was Rs. 2310 Mn during the previous year ended March 31, 2014. The turnover of the company increased by 20.11% from the previous year on account of opening of Various Stores over different Location across nation.

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Cost of Goods sold

The total Cost of goods sold increased in terms of value by 19.08 % from the existing Rs. 1724.56 Mn in FY'14 to Rs. 2053.76 Mn in FY'15. Although there is decrease in terms of percentage of cost of goods sold by 3.73% from the existing 75.34% to 71.62%. The increase in value is only attributed to the increase in turnover of the Company.

Administrative, Selling, Distribution & Other Expenses

Administrative, Selling, Distribution & Other Expenses increased to Rs. 353 Mn in FY'15 from the existing Rs. 362 Mn in FY'14.

Personnel Expenses

The personnel expenses increase from Rs. 159,200,623 in FY'14 to Rs. 18,34,86,980 in FY'15. The increase in personnel expenses is mainly on account of opening of stores which led to increase in number of personnel employed there.

Depreciation

The Company provided for depreciation of Rs. 20.88 Mn during FY' 15 compared to Rs. 34.81 Mn during FY' 14. For the year under consideration, cumulative depreciation was 23.39% of gross block, from 21.75% in the previous year. Your Company has changed its method of depreciation on fixed assets from Written Down Value ("WDV") method to Straight Line Method ("SLM") method except building, as management believes that such change in accounting policy results in fair recognition of depreciation charge vis-à-vis its operations particularly when the Company is on growth path, which presents the financial results more appropriately. Due to such change in method of depreciation, adoption of Schedule-II of the Companies Act, 2013-depreciation charge is lower by Rs. 114.56 Lacs, reserve and surplus/ profit after tax is higher by Rs. 77.39 Lacs (net of tax Rs. 37.17 Lacs) and profit before tax is higher by Rs. 114.56 Lacs, for the year ended 31 March 2015. And, in case of fixed assets whose useful life has been completed as on 31 March 2014, the carrying value (net of residual value) of those assets has been charged along with depreciation charge for the year ended 31 March 2015. In respect of assets acquired/sold during the year, depreciation has been provided on pro-rata basis with reference to the number of days.

Finance Cost

Interest expense increase by 21.25 % to Rs. 97.49 Mn during FY' 15 compared to Rs. 80.55 Mn during FY' 14. The Increase in Finance cost is on account of increase in the loan amount.

Provision for Taxation

Being in losses, the company has not made any provisions for taxation.

EPS

The year recorded a positive EPS of Rs. 4.14 compared to previous year EPS of Rs. (1.94). The Diluted Earnings per Share (DPS) is Rs 3.70 in FY'15 compared to Rs (1.94) in FY'14.

Balance Sheet Position

Share Capital

Your Company has an authorised equity share capital of Rs. 235 MN comprising 23.5 MN equity shares of Rs 10 each and an authorised preference share capital of Rs 58.4 Mn divided into 400,000 preference shares of Rs 146 each.

Reserves & Surpluses

The reserves and surplus as on March 31, 2015 is Rs. 2504 Mn as compared to Rs. 2407 Mn as on March 31, 2014.

Profit and Loss Account

Your Company earned a Profit of Rs. 97 Mn during the financial year ended March 31, 2015. Resultantly the balance in P&L as on March 31, 2015 was Rs. (526.88) Mn compared to Rs (536.63) Mn as on March 31, 2014.

Debt

The total amount of the long term debt has been decreased to Rs. 155.94 Mn from the previous year Rs. 377.18 Mn.

Deferred Tax

Deferred tax assets/liabilities represent impact of timing differences in the financial and tax books. Your Company earned a net Profit of Rs. 97 Mn. The deferred tax asset as on March 31, 2015 was Rs. 2624 Mn as compared to Rs. 2711 Mn as on March 31, 2014.

Investments

The Investment of the Company has been reduced by Rs. 8 Mn from the previous investment of Rs. 312 Mn. Reduction is due to depreciation on Non Current Investment. The gross investment at the end of year stands at Rs. 304 Mn.

Cash & Bank Balances

As on March 31, 2015, your Company was having a cash balance of Rs. 11 Mn compared to Rs 21Mn as on March 31, 2014.

Inventories

As on March 31, 2015, your Company was having inventory of Rs. 793 Mn compared to Rs. 555 Mn as on March 31, 2014.

Non Current Loans and Advances

Non Current Loans and Advances as on March 31, 2015 was Rs. 22.8 Mn compared to Rs. 17.2 Mn as on March 31, 2014. The increase is due to Security Deposit given to Lessor for the new stores.

Current Liabilities & Provisions

As on March 31, 2015, your Company was having Current liabilities including provision of Rs. 1068 Mn compared to Rs. 794 Mn during FY'14. The increase is mainly due to Trade Creditors.

On behalf of the Board of Directors
V2 Retail Limited

Sd-
Ram Chandra Agarwal
Chairman and Managing Director
DIN:-00491885

Date: 28.08.2015
Place: New Delhi

ADDRESS: B1-801, Lagoon Apartment,
Ambience Island, Gurgaon- 122002, Haryana

CORPORATE GOVERNANCE REPORT

In accordance with Clause 49 of the Listing Agreement with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at V2 Retail Limited is in compliance with laws and high standard of business ethics for effective control and management system in an organization.

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

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

The Company believes that the essence of the Corporate Governance lies in the phrase "Your Company". It is "Your" company because it belongs to you - "the Shareholders." The Chairpersons and Directors are "Your" fiduciaries and trustees. Their Objective is to take the business forward in such a way that it maximizes "Your" long term value. Besides adhering to the prescribed Corporate Governance practices as per clause 49 of the Listing Agreement, it voluntarily governs itself as per highest standard of ethical and responsible conduct of business in line with the local and global standards. Strong governance practices at VRL have earned recognition for it and have strengthened its bond of trust not only with the stakeholders but with the society at large.

Various policies at **V2 RETAIL** seek to focus on enhancement of long term shareholder value keeping in mind Ethical Standards and Corporate Social Responsibilities. These practices are embedded in our principle of Corporate Governance, which provides for accountability, independence, transparency and fair disclosure.

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

Intensity to Win

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

Act with Sensitivity

1. Respect for the individual
2. Thoughtful and responsible

Unyielding Integrity

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

A Certificate from M/s. AKGVG & Associates, Chartered Accountants, Statutory Auditors of the Company regarding compliance of the conditions of the Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange, is attached in the Corporate Governance Report and form part of this report.

Certificate of the Managing Director, inter-alia confirming the correctness of the financial statement, compliance with Company's Code of Conduct, adequacy of the Internal Control measures and reporting of matters to the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchange, is attached in the Corporate Governance Report and forms part of this Annual Report.

CODE OF CONDUCT

The Board of Directors of the company acknowledge and accept the extent of their duties as Directors. They have a responsibility to carry out their duties in an honest and businesslike manner and within the scope of their authority, as set forth in the laws of India as well as in the Memorandum and Articles of Association of the Company. They are entrusted with and are responsible for the oversight of the assets and business affairs of VRL in an honest, fair, diligent and ethical manner. As Directors, they must act within the bounds of the authority conferred upon them and with the duty to make and enact informed

decisions and policies in the best interests of the Company. The Board of Directors has adopted the following Code of Conduct and a separate declaration to this effect is annexed to the Corporate Governance Report.

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders' aspirations and societal expectations.

Good governance practices stem from the culture and mindset of the organisation and at V2 we are committed to meet the aspirations of all our stakeholders.

Our customers have benefited from products having value which is available at the most competitive prices.

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

BOARD OF DIRECTORS

As on March 31, 2015, the Board comprised of 5 directors, 2 of them being Executive, 3 being Non Executive Independent Director. The Composition of Board of Directors on March 31, 2015 is as follows:

Category	DIN	Name of the Director
Executive Promoter Director	: 00491885	Mr. Ram Chandra Agarwal
	: 00495945	Mrs. Uma Agarwa
Independent Director	: 05113240	Mr. Sourabh Kumar
Independent Director	: 05118387	Mr. Rohit Singh Rautela
Independent Director	: 06865804	Mr. Ravinder Kumar Sharma

The Board was reconstituted with appointment of following directors and key Managerial Personnel (KMP) on the Board:

Category	Date of appointment	DIN	Name of the Director/KMP
Independent Director	14.04.2014	05118387	Mr. Rohit Singh Rautela
Independent Director	14.04.2014	06865804	Mr. Ravinder Kumar Sharma
Chief Financial Officer	01.04.2014	NA	Mr. Varun Kumar Singh

BRIEF PROFILE OF THE DIRECTORS OF THE COMPANY

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

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

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

Mr. Sourabh Kumar is a Non-Executive Director (DIN No 05113240) of the Company since 01.10.2011. He Mastered in Commerce and holds more than five Years of Experience in Finance and Accounts Function Area.

Mr. Rohit Singh Rautela is a Non-Executive Director (DIN No 05118387) of the Company from 14.04.2014. He Graduated in Commerce. He is a Member of The Institute of Company Secretary of India, and he holds more than six Years of Experience in Finance and Corporate Law.

Mr. Ravinder Kumar Sharma is a Non-Executive Director (DIN No 06865804) of the Company from 14.04.2014. He Graduated in Commerce and he holds more than three Years of Experience in Corporate Law.

INFORMATION SUPPLIED TO THE BOARD

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

- Annual operating plans and budgets and any updates.

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- Capital budgets and any updates.
- Quarterly results for the company.
- Minutes of meetings of audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, Implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business. •Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

BOARD LEVEL COMMITTEES

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

The details of the members of the committees as on March 31, 2015 are as under:

Name of the Director/KMP	Audit	Nomination and Remuneration	CSR Director	Stakeholder Committee	Share Relationship	Independent Transfer
Mr. Ram Chandra Agarwal	Member	NA	NA	NA	Member	NA
Mr. Varun Kumar Singh	NA	NA	NA	NA	NA	NA
Mr. Sourabh Kumar	Member	Chairman	Member	Member	Chairman	Member
Mr. Rohit Singh Rautela	Chairman	Member	Chairman	Chairman	Member	Chairman
Mr. Ravinder Kumar Sharma	Member	Member	Member	Member	Member	Member
Mrs. Uma Agarwal	NA	NA	NA	Member	NA	NA
Mr. Yatish Bharadwaj	Compliance Officer	Compliance Officer	Compliance Officer	Compliance Officer	Compliance Officer	Compliance Officer

Due to resignation of Independent Directors during the year, the respective committee composition has been reconstituted upon appointment of new independent directors on the Board. All decisions pertaining to the constitution of the Committees, appointment of members of the Committee and fixing of terms of service for committee members are taken by the Board of Directors. Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance, are provided below:

ATTENDANCE AT BOARD MEETINGS

During the Financial Year 2014-15, 13 Board Meetings were held till 31st March 2015, as per following details:-

Sl. No.	Date of Board Meeting	Sl. No.	Date of Board Meeting
1.	04.04.2014	2.	14.04.2014
3.	30.05.2014	4.	20.06.2014
5.	17.07.2014	6.	09.08.2014
7.	25.08.2014	8.	29.09.2014
9.	11.11.2014	10.	20.01.2015
11.	05.02.2015	12.	26.02.2015
13.	23.03.2015		

Composition of Board of Directors and their Attendance in the Board Meetings for FY 2014-15 are as under;

Name of Director	Designation of Director	Board Meeting Held	Board Meeting Attended	Last AGM
Mr. Ram Chandra Agarwal	Managing Director & Executive Promoter	13	13	Yes
Mrs. Uma Agarwal	Whole Time Director & Executive Promoter	13	13	Yes
Mr. Sourabh Kumar	Independent Director	13	13	Yes
Mr. Rohit Singh Rautela	Independent Director	13	12	Yes
Mr. Ravinder Kumar Sharma	Independent Director	13	12	Yes

The committee membership of the Directors as on March 31, 2015 is as follows:

NAME OF DIRECTOR	NO. OF OTHER DIRECTORS-HIPS	NO. OF OTHER COMMITTEE MEMBER SHIP #	NO. OF OTHER COMMITTEE CHAIRMAN SHIP #
Mr. Ram Chandra Agarwal	8	2	Nil
Mrs. Uma Agarwal	10	1	Nil
Mr. Sourabh Kumar	Nil	4	2
Mr. Rohit Singh Rautela	8	2	4
Mr. Ravinder Kumar Sharma	Nil	6	Nil

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

AUDIT COMMITTEE

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

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

The Constitution of the Audit Committee as on March 31, 2015 was as follows:

Name of the Director	Designation	Chairman/ Member/ Other
Mr. Rohit Singh Rautela	NEID [^]	Chairman
Mr. Sourabh Kumar [^]	NEID [^]	Member
Mr. Ram Chandra Agarwal	Executive Director	Member
Mr. Ravinder Kumar Sharma	NEID [^]	Member
Mr. Varun Kumar Singh	CFO	Non Member
Mr. Yatish Bharadwaj	CS	Compliance Officer

[^]Mr. Rohit Singh Rautela has been nominated as Chairman in place of Mr. Sourabh Kumar who will continue to hold the position as a member of the Committee reconstituted on April 14, 2014.

[^]Non Executive Independent Director

Audit Committee Meetings & Presence:

The details of Audit Committee meetings & presence of Members till March 31, 2015 are as follows:

Date of Audit Committee Meetings	Name of the Audit Committee Members			
	Mr. Sourabh Kumar	Mr. Ram Chandra Agrawal	Mr. Ravinder kumar Sharma	Mr. Rohit Singh Rautela
14 th April, 2014	Present	Present	Present	Present
30 th May, 2014	Present	Present	Present	Present
09 th August 2014	Present	Present	Present	Present
29 th September 2014	Present	Present	Present	Present
11 th November 2014	Present	Present	Present	Present
05 th February 2015	Present	Present	Present	Present

The functions and Powers of the Audit Committee comprises of the same powers and functions as are elaborated in Clause 49 of the Listing Agreement.

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Nomination and Remuneration Committee

The primary purpose of this committee would be to ensure that directors and executives are fairly rewarded for their individual contribution to company's performance without any personal interest and also keeping other stakeholders' as well as company's financial and commercial health intact. Committee shall also serve as party to monitor and strengthen the objectivity and credibility of directors and executives' remuneration system and also making recommendation to the board on remuneration package and policies applicable to directors.

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

The details of Members of the Remuneration Committee as on March 31, 2015 are as follows:-

Name of the Director	Designation	Chairman/ Member/ Other
Mr. Sourabh Kumar	NEID [^]	Chairman
Mr. Rohit Singh Rautela	NEID [^]	Member
Mr. Ravinder Kumar Sharma	NEID [^]	Member
Mr. Yatish Bhardwaj	Compliance Officer	CS

[^] NEID [^]Non Executive Independent Director

The functioning and terms of reference of the Committee are as prescribed under Section 198, 309 of the Companies Act, 1956 read with the Schedule XIII of the Companies Act, 1956 and as specified under the listing Agreement with the Stock Exchanges. The Remuneration paid to the Directors during last financial year is mentioned below;

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

- Determination of Company's policy on specific remuneration package for executive and non-executive directors including pension rights and compensation payment.
- Orchestrate the performance targets and deliverables of the positions for which the Remuneration Committee is authorized to set remuneration and correlate with the delivered performance.
- Monitor and review the compensation (including salaries and salary adjustments, incentives/benefits bonuses, stock options, deferred compensations) periodically.
- Review and approve proposed terminal payments for those who directly report to the Managing Director and Chief Executive Officer.
- Review and recommend to the Board any changes in remuneration policy required, if any.

Remuneration Committee Attendance/Nomination and Remuneration Committee

The details of Remuneration Committee meetings & presence of Members till March 31, 2015 are as follows:

Date of Nomination and Remuneration Committee Meetings	Name of the Nomination and Remuneration Committee Members/ Others			
	Mr. Sourabh Kumar	Mr. Ravinder kumar Sharma	Mr. Rohit Singh Rautela	Mr. Yatish Bhardwaj
30 th May, 2014	Present	Present	Present	Present
11 th November, 2014	Present	Present	Present	Present

Details of remuneration paid to Directors are given below:

Because of the losses incurred by the Company no remuneration has been paid to any executive director of the Company during the year.

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

Mr. Ram Chandra Agarwal, Chairman & Managing Director is the husband to Mrs. Uma Agarwal, and no other Directors are in any way related to each other.

No salary excluding sitting fee is being paid to the Non-Executive Directors of the Company.

Stakeholders Relationship Committee

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

The details of Members of the Shareholders'/Investors' Grievance Committee as on March 31, 2015 are as follows:-

Name of the Director	Designation	Chairman/ Member/ Other
Mr. Sourabh Kumar	NEID [^]	Member
Mr. Rohit Singh Rautela	NEID	Chairman
Mrs. Uma Agarwal	Executive Director	Member
Mr. Ravinder Kumar Sharma	NEID	Member
Mr. Yatish Bhardwaj	Compliance Officer	CS Member

NEID[^] [^]Non Executive Independent Director

The details of Shareholders'/Investors' Grievance Committee Meetings & presence of Members till March 31, 2015 are as follows:

Date of Stakeholder Relationship Committee Meetings	Name of the Stakeholder Relationship Committee Members/Others				
	Mr. Sourabh Kumar	Mr. Ravindr kumar Sharma	Mr. Rohit Singh Rautela	Mrs. Uma Agarwal	Mr. Yatish Bharwaj
30th May, 2014	Present	Present	Present	Present	Present
09th August, 2014	Present	Present	Present	Present	Present
11th November, 2014	Present	Present	Present	Present	Present
05th February, 2015	Present	Present	Present	Present	Present

SHARE TRANSFER COMMITTEE

The responsibilities of the Share Transfer Committee is to approve transfer/transmission of shares/debentures/ bonds of the Company; to issue certificates of shares/debentures/ bonds on allotment thereof and on split/ consolidation/ renewal thereof; and to issue duplicate certificates under the seal of the Company.

The details of Members of the Share Transfer Committee as on March 31, 2015 are as follows:-

Name of the Director	Designation	Member/ Other
Mr. Sourabh Kumar	NEID [^]	Chairman
Mr. Yatish Bhardwaj	Compliance Officer	CS
Mr. Ram Chandra Agarwal	Executive Director	Member
Mr. Ravinder Kumar Sharma	NEID [^]	Member
Mr. Rohit Singh Rautela	NEID [^]	Member

NEID[^] [^]Non Executive Independent Director

During the year no meeting of the Share Transfer Committee meetings were held.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

The details of Members of the Corporate Social Responsibility Committee as on March 31, 2015 are as follows:-

Name of the Director	Designation	Chairman/ Member/ Other
Mr. Rohit Singh Rautela	NEID [^]	Chairman
Mr. Ravinder Kumar Sharma	NEID [^]	Member
Mr. Sourabh Kumar	NEID [^]	Member

[^] NEID – Non Executive Independent Director

The purpose of this committee is to formulate and monitor the CSR policy of the Company. The CSR Committee has adopted a policy that intends to:

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

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy'. The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

Compliance Officer

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

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Investor Grievance Redressal

During the year the company has received 1 complaint from investors/shareholders as per the information provided by the Registrar and Share Transfer Agent of the company. There was no investor/shareholder grievance pending as at March 31, 2015.

Source: SCORE Login data

GENERAL BODY MEETINGS:

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

ANNUAL GENERAL MEETING

Financial Year	Venue	Date	Time
2013-2014	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110 038	29.09.2014	10.00AM
2012-2013	Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110 038	30.09.2013	10.30AM
2011-2012	Rangoli Garden, Chhawla Bijwasan Road, NearZatika More, Najafgarh, New Delhi-110043	28.09.2012	10.30AM

Special Resolutions

Annual General Meeting (AGM) (29.09.2014)

- Adoption of new set of Articles of Association as per section 14 of the Companies Act, 2013.

Annual General Meeting (AGM) (30.09.2013)

- No Special Resolution was passed during the financial year 2012-2013.

Annual General Meeting (AGM) (28.09.2012)

- Reappointment of Mr. Ram Chandra Agarwal as Managing Director.

Postal Ballot

During the last financial year ended 31st March 2015 the Company has not passed any resolution through Postal Ballot.

DISCLOSURES

Disclosure of Related Party transactions

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

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

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

Disclosure of Accounting Treatment in preparation of financial statements

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

Code for Prevention of Insider trading Practices

In line with the SEBI regulation on prevention of insider trading, the compliance with respect to the Insider trading code of conduct is being made by the Directors, Compliance Officer and other Specified Employees on regular basis. Code of Conduct for the Directors and the Senior Management of the Company The Company has a Code of Conduct in place for Management Cadre Staff (including Executive Directors). In terms of the revised Clause 49 of the Listing Agreement and contemporary as well as prevailing practices of good corporate governance, the Board has adopted the Code of Conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code. A certificate pursuant to clause 49 of the listing agreement is mentioned below.

To,

Members of V2 Retail Limited

Sub: Declaration under clause 49 (II)(E)(2) of the Listing Agreement

I, Manshu Tandon, Chief Executive Officer of V2 Retail Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2015.

Sd-

Manshu Tandon
Chief Executive Officer

Date : 25.06.2015

Place : New Delhi

Compliances by the Company

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

CEO / CFO Certification

A certificate from the Chairman & Managing Director on the financial statements of the Company was placed before the Board.

Certificate pursuant to clause 49(IX) of the Listing Agreement

(A) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2015 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the 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;

- Significant changes in internal control over financial reporting, if any, during the year;
- Significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

On behalf of the Board of Directors
V2 Retail Limited

Sd-

Ram Chandra Agarwal

Chairman & Managing Director

DIN:-00491885

ADDRESS: B1-801, Lagoon Apartment,
Ambience Island, Gurgaon- 122002, Haryana

Date : 25.06.2015

Place : New Delhi

Risk Management

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

Compliance to Non-Mandatory Requirement

The Company has not specifically complied with any of the non-mandatory requirement of the listing agreement.

Means of Communication

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

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

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

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

INFORMATION TO SHAREHOLDERS

DATE, TIME AND VENUE OF THE 14TH ANNUAL GENERAL MEETING

Fourteenth Annual General Meeting of the V2 RETAIL LIMITED will be held on Wednesday, 30th September, 2015 at Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi - 110 038 AT 10.00 A.M.

Financial Year:

The Financial year of the Company shall commence from April 1, 2014 and ends on March 31, 2015.

For the Financial year ended on March 31, 2015 the results were announced on:-

First Quarter ended June 30, 2014	:	09.08.2014
Second Quarter ended September 30, 2014	:	11.11.2014
Third Quarter ended December 31, 2014	:	05.02.2015
Fourth Quarter ended March 31, 2015	:	29.05.2015

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* The Company has announced audited result on May 29, 2015. The same has been published in Jansatta and Financial Express on May 31, 2015.

For the Financial year ending on March 31, 2015 the audited results will be announced as per the time schedule prescribed under Clause 41 of the Listing Agreement within 60 days of the end of the financial year (annual) and quarterly results will be approved and published within 45 days of end of quarter as per clause 41 of Listing agreement.

Dividend

Considering the losses incurred by the Company in the previous financial years the board of directors does not recommend any dividend for the financial year ending March 31, 2015.

Date of Book Closure

The Date of Book closure will be 22nd September 2015 to 30th September 2015 both days inclusive.

Market Price Data

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

S. No.	Month	BSE	
		High	Low
1	Apr, 14	16.35	13.65
2	May, 14	16.95	13.50
3	Jun, 14	17.50	13.75
4	Jul, 14	16.50	14.10
5	Aug, 14	23.75	14.70
6	Sep, 14	38.00	20.60
7	Oct, 14	38.30	29.10
8	Nov, 14	50.40	31.25
9	Dec, 14	47.50	39.75
10	Jan, 15	42.50	36.00
11	Feb, 15	48.10	38.30
12	Mar, 15	44.50	27.50

S. No.	Month	NSE	
		High	Low
1	Apr, 14	16.05	13.60
2	May, 14	16.90	13.50
3	Jun, 14	16.50	13.80
4	Jul, 14	16.40	14.00
5	Aug, 14	23.90	14.60
6	Sep, 14	38.00	20.60
7	Oct, 14	38.70	28.05
8	Nov, 14	50.50	31.05
9	Dec, 14	47.85	39.50
10	Jan, 15	42.95	35.60
11	Feb, 15	48.20	38.55
12	Mar, 15	44.90	27.15

Listing on Stock Exchanges

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

Bombay Stock Exchange Limited - Mumbai

National Stock Exchange of India Limited - Mumbai

Stock Exchange Code (Security Code or Symbol)

Bombay Stock Exchange Limited:532867

National Stock Exchange of India Limited:V2RETAIL

Listing fees

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

Details of Public Funding obtained in last Three years:

The Company did not obtain public funding in the last three years.

Dematerialization of Shares

The equity shares of your company are under compulsory dematerialization mode as on March 31, 2015. The ISIN for the Equity Shares of the Company is INE945H01013.

99.32% of shares of the Company are dematerialized as on March 31, 2015. Trading in Equity shares of the company is permitted only in demat mode.

The Equity shares of your company are regularly traded.

	BSE	NSE
No. of Shares	48,21,962	78,72,265
Turnover (Amount in Lakhs)	1537.53	2517.1

Source: BSE & NSE website

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

Not Applicable

SHARE TRANSFER AGENTS:

Link Intime India Private Limited
(formerly known as Intime Spectrum Registry Limited)
C-13, Pannalal Silk Mills Compound, L. B. S Marg,
Bhandup (West), Mumbai - 400 078
Telephone No. : 022-25963838
Fax No. : 022-25946969
Email: delhi@linkintime.co.in

Distribution of Shareholding As on March 31, 2015

Share holding of nominal value (Rs.) (1)	Share Holders Number (3)	Share Amount		
		% to total (4)	Rs. (5)	%to total
Upto				
Upto 500	16630	87.7897	1680101	7.1258
501-1000	1132	5.9758	940494	3.9889
1001-2000	571	3.0143	875618	3.7137
2001-3000	195	1.0294	502984	2.1333
3001-4000	79	0.4170	282759	1.1993
4001-5000	77	0.4065	360325	1.5282
5001-10000	118	0.6229	828276	3.5130
10001 and above	141	0.7443	18107192	76.7978
Total	18943	100.00	23577749	100.00

Shareholding Pattern as on March 31, 2015

Promoters	13989751	59.33	12377194
Foreign Institutional Investors	00	00.00	0
Financial Institutions/ Banks	00	00.00	0
Mutual Funds	00	00.00	0
Venture Capital	00	00.00	0
Insurance	00	00.00	0
Body Corporate	1463398	06.21	3357
Individuals	7720738	32.75	41735
Others	403862	01.71	0
Total	23577749	100.00	12422286

Plant Location

The Company is in the process of identifying and setting up manufacturing facilities, however the Company has taken a premises in Manesar.

Address for Correspondence

Registered Office & Corporate Office

Plot No. 8, Pocket 2, Block AKhasra No. 335-336, Rangpuri Extesntion, NH-8, New Delhi-110037

On behalf of the Board of Directors
V2 Retail Limited
Sd-

Ram Chandra Agarwal
Chairman and Managing Director
DIN:-00491885

Date: 28.08.2015
Place: New Delhi

ADDRESS: B1-801, Lagoon Apartment,
Ambience Island, Gurgaon- 122002, Haryana

Independent Auditor's Report

To

the Members of **V2 Retail Limited**

1. Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **V2 Retail Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Subject to Para 4(a), (b), (c), (d) and (e) below, 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.

4. Basis for Qualified Opinion

- a. *Attention is invited to note 4 of these financial statements, included in capital reserve amounting to Rs.6,05,23,24,263/-, is Rs. 4,29,42,24,263/- arising out of transfer of asset and liabilities to the acquiring companies in earlier years for which necessary reconciliations/ information to the tune of Rs 3,72,24,324/- is not available with the company. Accordingly in absence of the same, we are unable to comment on the appropriateness of capital reserve including consequential impact, if any, arising out of the same on these financial statements.*
- b. *Attention is invited to note 5 and 10 of the these financial statements, the Company has outstanding short-term borrowings at the year-end due to a lender which include overdue principal and interest for which necessary supporting documents for balance confirmation at the year end and relevant information with relation to rate of interest is not available with the Company. In the absence of the same, we are unable to comment on appropriateness of the same.*
- c. *Attention is invited to note 14 of these financial statements, the Company has recognized Rs. 2,62,41,88,029/- as deferred tax assets at the year-end for which it does not have virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized in accordance with the principles of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India . Had the company not recognized such deferred tax asset, impact on profit and loss account would have been decrease in profit during the year by Rs. 2,62,41,88,029/- and decrease in Reserves and Surplus by Rs. 2,62,41,88,029/-.*
- d. *Attention is invited to note 38 of these financial statements, the Company has disclosed contingent liabilities on account of appeals with various statutory authorities at different levels amounting to Rs.1,69,38,13,117/- for which necessary information is not available with the Company to reliably ascertain estimated amount of such liabilities and consequential impact thereof on these financial statements in accordance with Accounting Standard-29-'Provisions, Contingent Liabilities and Contingent Assets' issued by the Institute of Chartered Accountants of India. Hence, we are unable to comment on the same.*

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- e. *Attention is invited to note 18 of these financial statements, the company has year-end inventory of traded goods amounting to Rs. 42,65,95,393/- in its new warehouse at Mubarikpur, Haryana for which no physical verification was performed by us as the company was in process of shifting such goods to this warehouse. Hence, we are unable to comment on such inventory lying at the company's warehouse.*

5. Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in para 4(a), (b), (c), (d) and (e), the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2015;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6. Emphasis of Matter

Without qualifying our opinion, we draw attention to note 4 of these financial statements, wherein the Company has accumulated losses amounting to Rs. 5,26,88,36,193/- at the year-end which raises concern regarding going concern status of the Company. However, during the year, the company has earned profit after tax of Rs. 9,75,12,902/- and, having regard to improvement in the business conditions, increase in revenue from operations, cost rationalization measures adopted and opening of new stores by the Company, these financial statements have been prepared on a going concern basis and that no adjustments are required to the carrying value of assets and liabilities at the year-end.

7. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. As required by section 143 (3) of the Act, we report that *except for the possible effects of the matters described in para 4(a), (b), (c), (d) and (e)*:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 of the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **AKGVG & Associates**
Chartered Accountants
Firm registration number: 018598N

Sd-
Vimal Kumar Saini
Partner
Membership no.: 515915

Place: New Delhi
Date: **29th May 2015**

Annexure to the Auditor's Report to the members of V2 Retail Limited on the financial statements for the year ended 31 March 2015

- (i) (a) According to the information and explanation given to us, the Company has maintained proper records showing full particulars, and situation of fixed assets *except quantitative details*.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) *The management has conducted physical verification of inventory at reasonable intervals except for its new warehouse at Mubarikpur, Haryana having inventory of Rs 42,65,95,393/-, which have not been verified during or at the end of the year.*
- (b) In our opinion and according to information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.
- (iv) *In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the sale of goods and services and for the purchase of fixed assets. However, the internal control system for purchases of inventory is inadequate since the inventory items are entered into incorrect item codes at the time of recording in the system.*
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of Company's products. Therefore provisions of clause 4(viii) of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Sales tax, Wealth tax, Service tax, Duty of excise, Duty of customs, Value Added tax, Provident Fund, Employees State Insurance and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities *though there have been slight delays in a few cases*. As explained to us, the Company did not have any dues on account of Cess. According to the information and explanations given to us, no undisputed amounts payable in respect of Employees State Insurance, Provident Fund, Income-tax, Sales tax, Wealth tax, Service tax, Duty of excise, Duty of customs, Value added tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- (b) *According to the information and explanations given to us, other than the amounts reported below, there are no amounts in respect of Income-tax, Sales tax, Wealth tax, Service tax, Duty of customs and Duty of excise that have not been deposited by the Company with the appropriate authorities on account of any dispute:*

Name of the Statute	Nature of the Dues	Period to which	Amount (Rs.) Relates(FY)	Forum where dispute is pending
Service Service Tax Laws	Service Tax	2006-07 To 2010-11	30,208,391	Commissioner of Service Tax
Sales Tax Laws	Sales Tax	2006-07	5,155,233	Assistant Commissioner of Sales Tax
	Sales Tax	2007-08	10,000,000	Appellate Authority of Sales Tax
	Sales Tax	2007-08	17,353,962	Jt. Commissioner (Appeals) of Sales Tax
	Sales Tax	2007-08	1,525,511	Assistant Commissioner of Sales Tax
	Sales Tax	2008-09	50,000	Assistant Commissioner of Sales Tax
	Sales Tax	2008-09	4,849,098	Assistant Commissioner of Sales Tax
	Sales Tax	2009-10	50,000	Assistant Commissioner of Sales Tax
	Sales Tax	2008-09	1,248,180	Jt. Commissioner (Appeals) of Sales Tax
	Sales Tax	2009-10	203,000	Jt. Commissioner (Appeals) of Sales Tax
	Sales Tax	2009-10	2,242,668	Assistant Commissioner of Sales Tax
	Sales Tax	2007-08	6,810,980	Deputy Commissioner, Jaipur of Sales Tax
	Sales Tax	2008-09	8,387,111	Deputy Commissioner, Jaipur of Sales Tax
	Sales Tax	2006-07	624,180	Deputy Commissioner of Sales Tax
	Sales Tax	2007-08	2,986,774	Deputy Commissioner of Sales Tax
	Sales Tax	2008-09	2,200,000	Deputy Commissioner of Sales Tax
	Sales Tax	2008-09	226,600,000	Deputy Commissioner of Sales Tax
Sales Tax	2010-11	720,420	Deputy Commissioner (Appeals) of Sales Tax	
Income Tax	Income Tax	2010-11	1,188,071,650	CIT (Appeals) of Income Tax
Total			1,509,287,158	

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- (c) The Company did not have any dues on account of Investor Education and Protection Fund.
- (viii) The company has accumulated losses at the end of the financial year which exceed fifty percent of its net worth. Further, company earned cash profit in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has defaulted in repayment of dues to a financial institution.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit for the year.

For **AKGVG & Associates**
Chartered Accountants
Firm registration number: 018598N

Place: New Delhi
Date: **29th May 2015**

Sd-
Vimal Kumar Saini
Partner
Membership no.: 515915

Balance Sheet as at 31st March 2015

(Amount in Rs.)

PARTICULARS	Notes	As at 31st March 2015	As at 31st March 2014
I. Equity and liabilities			
(1) Shareholder's funds			
(a) Share capital	3	235,777,490	223,988,690
(b) Reserves and surplus	4	2,504,731,882	2,407,218,981
(c) Money received against Share Warrants		6,934,600	-
		2,747,443,972	2,631,207,671
(2) Non-current liabilities			
(a) Long-term borrowings	5	155,943,523	377,186,923
(b) Other long term liabilities	6	4,938,000	4,915,000
(c) Long term provisions	7	69,618,347	46,543,784
		230,499,870	428,645,707
(3) Current Liabilities			
(a) Trade payables	9	352,189,271	281,980,829
(b) Other current liabilities	10	711,760,029	505,365,250
(c) Short-term provisions	8	4,675,374	6,345,849
		1,068,624,674	793,691,928
Total		4,046,568,516	3,853,545,306
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	180,909,096	140,351,383
(ii) Intangible assets	12	1,602,252	2,989,399
(iii) Capital work-in-progress		11,592,320	449,600
(b) Non Current Investment	13	303,868,421	313,924,817
(c) Deferred tax assets (net)	14	2,624,188,029	2,711,106,419
(d) Long term loans and advances	15	22,819,865	17,244,765
(e) Other non-current assets	16	31,064,397	48,655,823
		3,176,044,380	3,234,722,206
(2) Current assets			
(a) Inventories	17	793,182,397	555,203,911
(b) Trade receivables	18	1,253,195	235,187
(c) Cash and cash equivalents	19	11,197,216	21,296,700
(d) Short-term loans and advances	20	64,716,728	41,956,711
(e) Other current assets	21	174,600	130,591
		870,524,136	618,823,100
Total		4,046,568,516	3,853,545,306
Summary of the significant accounting policies	2.1		

The accompanying notes are an internal part of the financial statements.

As per our report of even date
For **AKGVG & Associates**
Firm Registration no :018598N
Chartered Accountants

For and on behalf of the Board of Directors of **V2 Retail Limited**

Sd-
Vimal Kumar Saini
Partner
Membership No: 515915

Sd-
Ram Chandra Agarwal
Managing Director
DIN 00491885

Sd-
Uma Agarwal
Director
DIN 00495945

Place: New Delhi
Date: 29th May, 2015

Sd-
Varun Kumar Singh
Chief Financial Officer

Sd-
Yatish Bhardwaj
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2015

(Amount in Rs.)

PARTICULARS	Notes	As at 31st March 2015	As at 31st March 2014
Income			
Revenue from operations (gross)	22	2,983,220,635	2,378,182,636
Less sales tax / vat		115,543,949	89,259,463
Revenue from operations (net)		2,867,676,686	2,288,923,173
Other Income	23	25,182,463	22,065,952
Total revenue (I)		2,892,859,149	2,310,989,125
Expenses:			
Purchase of traded goods	24	2,291,743,129	1,831,500,160
(increase)/decrease in inventories of traded finished goods	25	(237,978,486)	(106,942,067)
Employee benefit expense	26	183,486,981	159,200,623
Other expenses	27	353,008,085	362,732,808
Total (II)		2,590,259,711	2,246,491,524
Earnings before interest, tax, depreciation and amortization (EBITDA)	(I) - (II)	302,599,438	64,497,601
Depreciation and amortization expense	28	20,878,941	34,818,899
Finance Costs	29	97,489,039	80,546,118
Profit/(Loss) before tax		184,231,458	(50,867,416)
Tax expenses			
- Current tax		-	-
- Income tax earlier years		-	(5,854,152)
- Deferred tax	14	86,918,390	(1,670,481)
Total tax expense		86,918,390	(7,524,633)
Profit (Loss) after tax and before prior period items		97,313,068	(43,342,783)
Prior period expenses	34	(199,832)	1,733,385
Net profit		97,512,900	(45,076,168)
Earnings per equity share [nominal value of share Rs. 10 (P.Y. Rs. 10)]			
-Basic	30	4.14	(1.94)
-Diluted		3.70	(1.94)

The accompanying notes are an internal part of the financial statements.

As per our report of even date
For **AKGVG & Associates**
Firm Registration no :018598N
Chartered Accountants

For and on behalf of the Board of Directors of **V2 Retail Limited**

Sd-
Vimal Kumar Saini
Partner
Membership No: 515915

Sd-
Ram Chandra Agarwal
Managing Director
DIN 00491885

Sd-
Uma Agarwal
Director
DIN 00495945

Place: New Delhi
Date: 29th May, 2015

Sd-
Varun Kumar Singh
Chief Financial Officer

Sd-
Yatish Bhardwaj
Company Secretary

Cash Flow Statement for the year ended 31st March 2015

(Amount in Rs.)

	As at 31st March 2015	As at 31st March 2014
A. Cash flow from operating activities		
profit before tax but after prior period items	184,431,290	(52,600,801)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	20,878,941	34,818,899
Interest income	(1,471,094)	(952,433)
Investment written off	56,280	-
Finance charges	96,145,988	79,238,151
Operating profit before working capital changes	300,041,405	60,503,817
Movements in working capital :		
Increase/(decrease) in trade payables	70,208,442	35,247,741
Increase/(decrease) in long-term provisions	23,074,562	45,276,311
Increase/(decrease) in short-term provisions	329,524	176,085
Increase/(decrease) in other current liabilities	206,394,779	103,849,626
Increase/(decrease) in other long-term liabilities	23,000	55,000
decrease/(Increase) in trade receivables	(1,018,008)	(281,019)
decrease/(Increase) in inventories	(237,978,486)	(106,942,068)
decrease/(Increase) in long-term loans and advances	(5,575,100)	(714,677)
decrease/(Increase) in short-term loans and advances	(22,760,017)	(9,233,944)
decrease/(Increase) in other current assets	(44,009)	35,559
decrease/(Increase) in other non-current assets	17,547,777	(17,909,538)
Cash generated from operations	350,243,869	112,062,893
Direct Taxes (paid)/ refund	-	5,854,152
Net cash flow from operating activities (A)	350,243,869	117,917,044
B. Cash flow from investing activities		
Purchase of Fixed Assets, including intangible assets, CWIP and capital advances	(63,192,108)	(71,708,674)
Interest received	1,514,743	401,691
Net cash flow used in investing activities (B)	(61,677,365)	(71,306,983)
C. Cash flow from financing activities		
Proceeds from issue of equity share capital (net of expenses on issue of shares)	18,723,400	-
Change in Capital Reserve due to slump sale in previous year	-	(25,726,012)
Repayment of long term borrowings	(221,243,400)	61,586,177
Finance charges	(96,145,988)	(79,238,151)
Net cash flow from/(used in) financing activities (C)	(298,665,988)	(43,377,986)
Net decrease in cash and cash equivalents (A+B+C)	(10,099,484)	3,232,076
Cash and cash equivalents at the beginning of the year	21,296,700	18,064,624
Cash and cash equivalents at the end of the year	11,197,216	21,296,700

Notes

The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India

Cash and cash equivalents

	March 31'2015	March 31'2014
Cash in hand	7,704,224	7,780,522
Balance with		
On current accounts	2,793,296	13,065,943
Others	696,696	450,235
	11,197,216	21,296,700

The accompanying notes are an internal part of the financial statements.

As per our report of even date
For **AKGVG & Associates**
Firm Registration no :018598N
Chartered Accountants

For and on behalf of the Board of Directors of **V2 Retail Limited**

Sd-
Vimal Kumar Saini
Partner
Membership No: 515915

Sd-
Ram Chandra Agarwal
Managing Director
DIN 00491885

Sd-
Uma Agarwal
Director
DIN 00495945

Place: New Delhi
Date: 29th May, 2015

Sd-
Varun Kumar Singh
Chief Financial Officer

Sd-
Yatish Bhardwaj
Company Secretary

1. Corporate information

V2 Retail Limited formerly known as Vishal Retail Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The Company is primarily engaged in the business of retail sales of garments, textiles, accessories and consumer durables products in India.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis.

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

2.1 Summary of significant accounting policies

a) Use of Estimates

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

b) Tangible fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

c) Depreciation on tangible fixed assets

The Company has changed its method of depreciation on fixed assets from Written Down Value ("WDV") method to Straight Line Method ("SLM") method except building, as management believes that such change in accounting policy results in fair recognition of depreciation charge vis-à-vis its operations particularly when the Company is on growth path, which presents the financial results more appropriately. Due to such change in method of depreciation, adoption of Schedule-II of the Companies Act, 2013-depreciation charge is lower by Rs. 114.56 Lacs, reserve and surplus/ profit after tax is higher by Rs. 77.39 Lacs (net of tax Rs. 37.17 Lacs) and profit before tax is higher by Rs. 114.56 Lacs, for the year ended 31 March 2015. And, in case of fixed assets whose useful life has been completed as on 31 March 2014, the carrying value (net of residual value) of those assets has been charged along with depreciation charge for the year ended 31 March 2015. In respect of assets acquired/sold during the year, depreciation has been provided on pro-rata basis with reference to the number of days.

d) Intangible assets

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

The company uses the life of the Computer software as stated in Schedule-II.

e) Leases

Lease arrangements where the risk & rewards incidental to ownership of assets substantially vest with the Lessor, are recognized as Operating Leases. Lease rental under operating leases are recognized in the profit/ loss account as per terms & conditions of the Lease Agreements

Where the company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

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

f) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective qualifying asset as defined in Accounting Standard-16. All other borrowing costs are expensed in the period they occur.

g) Impairment of tangible and intangible assets

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

h) Investments

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

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Investment property

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

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

Depreciation on building component of investment property is calculated on a Written Down Value prescribed under the Schedule XIV to the Companies Act, 1956. The company has used the depreciation rate of 5%.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) Inventories

The Company has only trading Goods in its Inventory which is valued at lower of cost and net realizable value. Cost of inventory comprises of cost of purchases and other costs incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j) Revenue Recognition

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

Sale of goods

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

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Income from services

Revenues from Rent and Display activities are recognized as and when services are rendered. The company collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

k) Foreign Currency Transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at cost.

Any income or expense on account of exchange differences either on settlement or on translation of transactions is recognized in the Profit and Loss Account.

l) Retirement and other employee Benefits

Short term employee benefits:

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

Long term employee benefits:

• **Defined contribution plans:**

The Contributions for Provident Funds & E.S.I.C. are deposited with the appropriate government authorities and are recognized in the Profit & Loss Account in the financial year to which they relate and there is no further obligation in this regard.

• **Defined Benefit Plans:**

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

• **Other long term employee benefits :**

Benefits under the Company's leave encashment scheme constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gain and losses are recognized immediately in the Profit and Loss Account.

m) Income Taxes

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

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

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

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

n) Segment Reporting

The Company is engaged in the business of retail trade of garments, textiles, accessories and FMCG in India and there are no separate reportable segments as per AS-17 "Segment reporting" notified by Companies (Accounting Standards) Rules, 2006.

o) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Provisions

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

q) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

r) Cash and cash equivalents

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

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3. Share Capital

Particulars	As at 31-March-2015 (Rs.)	As at 31-March-2014 (Rs.)
Authorised Share Capital		
Equity share capital		
30,000,000 (Previous Year : 30,000,000) equity shares of Rs. 10/- each	300,000,000	300,000,000
Preference Share Capital		
400,000 (Previous Year : 400,000) preference shares of Rs. 146/- each	58,400,000	58,400,000
	358,400,000	358,400,000
Issued, subscribed & fully paid up		
23,577,749 (Previous Year : 22,398,869) Equity Shares of Rs. 10/- each, fully paid up	235,777,490	223,988,690
Total	235,777,490	223,988,690

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

Particulars	As at 31- Mar, 2015		As at 31- Mar, 2014	
	Numbers	Amount	Numbers	Amount
At the beginning of the period	22,398,869	223,988,690	22,398,869	223,988,690
Issued during the year	1,178,880	11,788,800	-	-
Outstanding at the end of period	23,577,749	235,777,490	22,398,869	223,988,690

b. Terms / rights attached to equity shares / warrants

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The Board of Directors of the Company has not declared any dividend during the reporting period. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity Shares of Rs. 10 each fully paid	As at 31- Mar, 2015		As at 31- Mar, 2014	
	Numbers	% holding in the class	Numbers	% holding in the class
Unicon Marketing Private Limited	5,444,710	23.093	5,444,710	24.3097
Ricon Commodities Private Limited	4,940,000	20.952	4,940,000	22.0547

4. Reserve & Surplus

Particulars	As at 31-March-2015 (Rs.)	As at 31-March-2014 (Rs.)
Securities Premium		
Balance as per last financial statements	1,713,495,845	1,713,495,845
Add: Addition during the year	-	-
Closing Balance	1,713,495,845	1,713,495,845
Capital Reserve		
Balance as per last financial statements	6,060,072,231	6,085,798,243
Add: Addition during the year	-	(25,726,012)
Closing Balance	6,060,072,231	6,060,072,231
Surplus/(deficit) in the statement of profit & loss		
Balance as per last financial statement	(5,366,349,094)	(5,321,272,927)
Add: Loss for the period	97,512,900	(45,076,168)
Closing Balance	(5,268,836,192)	(5,366,349,095)
Total	2,504,731,882	2,407,218,981

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5. Long Term Borrowings

	Non-Current Portion		Current Portion	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Term Loan				
From Financial Institutions	-	-	537,154,363	456,922,488
Deposits (Unsecured)				
Inter-corporate deposits	154,720,087	337,326,840	-	-
From Directors	1,223,436	39,860,083	-	-
	155,943,523	377,186,923	-	-
Total	155,943,523	377,186,923	537,154,363	456,922,488
The above amount includes				
Secured borrowings	-	-	537,154,363	456,922,488
Unsecured Borrowings	155,943,523	377,186,923	-	-
Amount Disclosed under the head "other current liabilities" (note 10)				
Total	155,943,523	377,186,923	537,154,363	456,922,488

Securities furnished in respect of long term borrowings taken by the Company

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

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

The loan originally taken from HSBC Bank Limited has been assigned to Pegasus Assets Reconstruction Pvt. Ltd.

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

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

First paripassu charge by way of equitable mortgage of property in the name of VRL situated at Khasra No. 122/43,122/44, Mouza Central Hope town (Selakui), Paragana Pachwodopon, TehsilVikas Nagar, district Dehradun.

First paripassu charge by way of equitable mortgage of property in the name of VRL situated at Krishna nagar Village, Taluq Hubli, District Dharwad.

First paripassu charge by way of equitable mortgage of property in the name of VRL situated at PJE Plaza, deg No.77-78,81,82 Khasra B no.655-11-5-12, Mauza -Kyenjara, VIP road, Kolkata (except ground floor which is exclusively mortgaged to HDFC Bank)

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

Corporate Guarantee of Vishal Water World Pvt. Limited

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

B. Bank of India, ING Vysya Bank and UCO Bank

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

Exclusive charge with Bank of India of property at industrial land Khata no.329, Khasra No. 122/43 Mouza Central Hope town, (Saelakui), Paragna Pachwodopon, Tehsil Vikas Nagar, District Dehradun (Note: this is a small piece of land measuring 0.57 acres distinct from the other property at Dehradun over which SBI and Pegasus have a charge)

Subservient charge on Current Assets

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

Pledge of 953,770 shares of VRL.

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

Post dated Cheques for Principal Amount + FITL

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

6. Other Long Term Liabilities

Particulars	Non Current Portion	
	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Security Deposit *	4,938,000	4,915,000
	4,938,000	4,915,000

*The above amount includes security deposit received against renting of showroom at VIP Road, Kolkata Rs.48,00,000 (previous year 48,00,000) and security deposit received from shop-in-shop vendors of Rs. 138,000 (previous Year 115,000)

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7. Long Term Provisions

Particulars	Non Current Portion	
	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Provision for employee benefits		
Provision for Gratuity	3,417,548	1,594,453
Provision for Leave Encashment	1,462,633	983,647
Other Provisions		
Lease Equalization Reserve	64,738,166	43,965,684
	<u>69,618,347</u>	<u>46,543,784</u>

8. Short Term Provisions

Particulars	Current Portion	
	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Provision for employee benefits		
Provision for Gratuity	59,894	5,146
Provision for Leave Encashment	893,592	618,815
Other provisions		
Provision for litigations	3,721,888	3,721,888
Provision for Diminution in Investment in Subsidiary Companies	-	2,000,000
Total	<u>4,675,374</u>	<u>6,345,849</u>

9. Trade Payables

Particulars	Current Portion	
	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Trade Payables (refer note 37 for details of dues to micro and small enterprises)	352,189,271	281,980,829
Total	<u>352,189,271</u>	<u>281,980,829</u>

10. Other Current Liabilities

Particulars	Current Portion	
	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Current maturities of long-term borrowings (refer note – 5)	537,154,363	456,922,488
Salary & Bonus Payable	13,761,700	11,873,938
Other Statutory Liabilities	6,506,322	3,838,795
Advance Against Sale of Property	5,000,000	-
Over Drawn Current Accounts	138,447,315	23,046,055
Others	10,890,329	9,683,974
Total	<u>711,760,029</u>	<u>505,365,250</u>

11. Tangible Assets

Particulars	Lease Hold Buildings	Plant & Machinery	Generator Set	Furniture & Fixture	Electrical Equipments & Fittings	Office Equipments	Air Conditioner	Compute	Motor Vehicles	Total
Cost or valuation										
At 31 March 2013	4,034,195	2,394,055	7,729,917	47,626,217	16,239,207	1,271,103	12,153,884	12,100,237	2,206,600	105,755,415
Additions	403,523	284,469	9,009,000	32,690,450	12,802,901	39,207	16,495,774	9,756,422	53,760	81,535,506
At 31 March 2014	4,437,718	2,678,524	16,738,917	80,316,667	29,042,108	1,310,310	28,649,658	21,856,659	2,260,360	187,290,921
Additions	234,407	815,406	1,344,500	38,098,892	22,49,363	1,037,471	2,360,101	5,861,248	48,000	52,049,388
At 31 March 2014	4,672,125	3,493,930	18,083,417	118,415,559	31,291,471	2,347,781	31,009,759	27,717,907	2,308,360	239,340,309
Depreciation										
At 31 March 2013	679,691	456,867	1,375,330	9,271,806	2,472,851	259,993	2,358,093	4,559,329	985,066	22,419,026
Charge for the year	363,331	289,635	1,923,414	10,732,788	2,915,110	143,973	3,113,905	4,716,912	321,441	24,520,509
At 31 March 2014	1,043,022	746,502	3,298,744	20,004,594	5,387,961	403,966	5,471,998	9,276,241	1,306,507	46,939,535
Charge for the year	551,091	217,251	1,113,745	11,014,970	2,868,156	337,849	1,907,291	4,998,068	265,954	23,274,375
Other adjustments*	304,071	(365,800)	(1,672,123)	(5,361,742)	(1,380,943)	212,282	(2,772,406)	(214,344)	(531,692)	(11,782,697)
Net Block										
At 31 March 2014	3,394,696	1,932,022	13,440,173	60,312,073	23,654,147	906,344	23,177,657	12,580,418	953,853	140,351,383
At 31 March 2015	2,773,941	2,895,977	15,343,051	92,757,737	24,416,297	1,393,684	26,402,876	13,657,942	1,267,591	180,909,096

* Due to change in method of depreciation from "Written Down Method" to "Straight Line Method"

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12. Intangible Asset

Particulars	Computer Softwares	Total
Gross Block		
At 31 March 2013	4,837,680	4,837,680
Additions \purchases during the year	2,209,573	2,209,573
Internal development	-	-
Adjustments/Sold during the year	-	-
At 31 March 2014	7,047,253	7,047,253
Additions \purchases during the year	-	-
Internal development	-	-
Adjustments/Sold during the year	-	-
At 31 March 2015	7,047,253	7,047,253
Amortization		
At 31 March 2013	2,405,437	2,405,437
Charge for the year	1,652,417	1,652,417
Adjustments/Sold during the year	-	-
At 31 March 2014	4,057,854	4,057,854
Charge for the year	1,060,676	1,060,676
Other Adjustments during the year	326,471	326,471
At 31 March 2015	5,445,001	5,445,001
Net block		
At 31 March 2014	2,989,399	2,989,399
At 31 March 2015	1,602,252	1,602,252

* Due to change in method of depreciation from "Written Down Method" to "Straight Line Method"

13. Non Current Investments

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Investment property (at cost less accumulated depreciation)		
Investments in Land & Building which are not used for the operations of Company	336,785,788	336,785,788
Less: Accumulated depreciation	72,517,367	64,517,251
Net Block of investment property	264,268,421	272,268,537
Long Term Non trade Investment (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
There are no restrictions on the right of ownership, reliability of investments or the remittance of income and proceeds of disposal.		
The Company earned an interest @ 0.50% P.A. on Compulsory Convertible Debentures		
Investment in subsidiaries		
VRL Infrastructure Limited *	-	250,000
(25,000 [P.Y. 25,000] equity shares of Rs. 10/- each , fully paid up ,valued at nil)		
VRL Movers Limited	-	1,500,000
(1,50,000 [P.Y. 1,50,000] equity shares of Rs. 10/- each , fully paid up , valued at nil)		
VRL Retail Ventures Limited *	-	250,000
(25,000 [P.Y. 25,000] equity shares of Rs. 10/- each , fully paid up ,valued at nil)		
Investment in joint venture companies		
VRL Retailer Business Solutions Private Limited	-	56,280
(5,628[P.Y. 5,628] equity shares of Rs. 10/- each , fully paid up ,valued at nil)		
Investment in Debentures		
Compulsory Convertible Debentures (CCD) of TPG Wholesale Pvt. Ltd. at a coupon rate of .5% per annum, all CCD shall be mandatorily convertible into equity shares of TPG immediately prior to TPG IPO or upon completion of 10 years from issuance of CCD whichever is earlier	39,600,000	39,600,000
	39,600,000	41,656,280
	303,868,421	313,924,817

* During the year the company has applied for striking off of the name of its subsidiaries namely VRL Infrastructure Limited and VRL Retail Venture Limited with Ministry of Corporate Affairs, as the same was incurring losses to the company. Hence has been written off against Provision made for Diminution in Investment in Subsidiary Companies in previous year.

Investment property given as security Investment property with a carrying amount of Rs. 26,42,68,421 (P.Y. Rs. 27,22,68,537) are subject to first charge to secure the companies term loan taken from bankers and financial institutions as detailed in securities furnished in respect of loans taken by the company

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14. Deferred Tax Asset

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the net decrease in deferred tax asset of 8,69,18,390 for the current year has been recognized in the profit & loss account. The tax effect of significant timing differences as at 31st March, 2011 that reverse in one or more subsequent years gave rise to the following net deferred tax assets as at March 31, 2015.

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Increase in Deferred Tax Liabilities		
On Account of Depreciation	5,200,035	698,537
Profit for the Current Period	88,430,859	20,865,811
Impact of change in rate of Tax on B/F Losses	-	-
Total Increase in Deferred Tax Liabilities	<u>93,630,894</u>	<u>21,564,348</u>
Increase in Deferred Tax Assets		
Provision for Gratuity	609,266	288,948
Provision for Leave Encashment	244,558	225,956
Provision for Diminution in Investment in Subsidiary	(648,900)	648,900
Lease Equalization Reserve	6,739,632	14,264,666
Bonus	32,047	411,573
Adjustment of Previous year loss	-	7,090,954
Depreciation Adjustment	(258,257)	303,832
Reversal of DTL on assets whose useful life expired	(5842)	-
Total Increase in Deferred Tax Assets	<u>6,712,504</u>	<u>23,234,829</u>
Net Deferred Tax Assets / (Liabilities) for the Year	<u>(86,918,390)</u>	<u>1,670,481</u>
Opening Deferred Tax Assets/ (Liabilities)	<u>2,711,106,419</u>	<u>2,709,435,938</u>
Closing Deferred Tax Assets/ (Liabilities)	<u>2,624,188,029</u>	<u>2,711,106,419</u>

15. Long term Loans & Advances

Particulars	Current Portion	
	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Unsecured Advances, considered good		
Security Deposit towards premises taken on Lease and others	22,819,865	17,244,765
Advances recoverable in cash or in kind or for value to be received	-	-
Advance income-tax (net of provision for taxation)	-	-
Total	<u>22,819,865</u>	<u>17,244,765</u>

16. Other Non Current Assets

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
A) Secured, considered good		
Fixed deposit with banks (held as Margin Money with Banks towards Bank Guarantees)	7,564,397	7,608,046
B) Secured, considered good		
Advance with Provident Fund Department	-	33,547,777
Advance with Service Tax Department	7,500,000	7,500,000
Advance with Income Tax Department	16,000,000	-
Total	<u>31,064,397</u>	<u>48,655,823</u>

17. Inventories (Valued at lower of Cost or Net Realizable Value)

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Traded goods	793,182,397	555,203,911
Total	<u>793,182,397</u>	<u>555,203,911</u>

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18. Trade Receivables (Unsecured considered good unless otherwise stated)

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables		
- Considered good	1,253,195	235,187
Total	1,253,195	235,187

19. Cash & Cash Equivalent

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Cash and cash equivalents		
Balances with banks in:		
- Current accounts	2,793,296	13,065,943
Credit Card Receivables	696,696	450,235
Cash on hand	7,707,224	7,780,522
Total	11,197,216	21,296,700

20. Short term Loans & Advances

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Advances recoverable in cash or in kind or for value to be received	36,949,445	16,835,929
Advance income-tax (net of provision for taxation)	8,590,499	6,538,168
Balances with statutory / government authorities	19,176,784	18,582,614
Total	64,716,728	41,956,711

21. Other Current Assets

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Interest accrued on investment	174,600	130,591
Total	174,600	130,591

22. Revenue from Operations

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Revenue from operations (net of VAT)		
Sale of Products		
Traded Goods	2,977,656,740	2,374,503,801
Other operating revenue		
Scrap Sales	5,563,895	3,678,835
Revenue from operations (gross)	2,983,220,635	2,378,182,636
Less Sales Tax / VAT	115,543,949	89,259,463
Revenue from operations (Net)	2,867,676,686	2,288,923,173
Details of product goods sold (net of VAT)		
Apparels	2,462,063,616	1,947,897,677
Non Apparels	400,166,340	337,599,765
Others	5,446,730	3,425,731
Revenue from operations (Net)	2,867,676,686	2,288,923,173

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23. Other Incomes

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
<u>Interest Income On</u>		
- Bank Deposits	646,168	633,747
- Others	824,928	318,686
Display income	4,031,367	1,433,519
Rental Income	19,680,000	19,680,000
	<u>25,182,463</u>	<u>22,065,952</u>

*Interest income on others includes interest on Compulsory convertible debentures issued by TPG Wholesale Private Limited of Rs.1,94,001/- (Previous year Rs. 194001/-)

24. Details of purchase of traded goods

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Purchase of traded goods	2,291,743,129	1,831,500,160
	<u>2,291,743,129</u>	<u>1,831,500,160</u>

25. Increase / Decrease in Inventory

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Inventories at the end of the year		
Traded goods	793,182,397	555,203,911
	<u>793,182,397</u>	<u>555,203,911</u>
Inventories at the beginning of the year		
Traded goods	555,203,911	448,261,844
	<u>555,203,911</u>	<u>448,261,844</u>
Net (Increase) / Decrease in inventory of traded goods	<u>(237,978,486)</u>	<u>(106,942,067)</u>

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Details of traded goods purchased		
Apparels	1,960,877,976	1,591,582,110
Non Apparels	330,865,153	239,918,050
Fast-moving consumer goods	-	-
	<u>2,291,743,129</u>	<u>1,831,500,160</u>

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Details of inventory at the end of the year		
Apparels	661,980,710	481,135,407
Non Apparels	131,201,687	74,048,570
Others	-	19,934
	<u>793,182,397</u>	<u>555,203,911</u>

26. Employee Benefit Expense

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Salary, wages & bonus	165,525,134	143,842,508
Gratuity expenses	1,907,613	1,141,183
Contribution to Provident & other funds	11,576,193	9,046,788
Staff welfare expenses	4,478,041	5,170,143
Total in employee benefit expense	<u>183,486,981</u>	<u>159,200,623</u>

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27. Other Expenses

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
A. Administrative & Other Expenses		
Power & fuel Expenses	50,384,097	47,224,345
Rent	141,487,923	151,781,693
Repairs & maintenance-	-	-
- Building	1,813,260	1,057,673
- Plant & machinery	114,642	11,765
- Others	9,501,659	7,091,095
Insurance charges	487,373	446,849
Rates & taxes	4,862,615	1,971,297
Bank charges	5,834,272	8,898,481
Cash collection charges	2,563,380	2,140,799
Legal & professional fess	6,312,628	4,085,377
Motor Vehicle Expenses	796,670	651,363
Printing & stationery	3,868,734	4,109,451
Security expenses	1,784,775	3,123,378
Housekeeping expenses	1,349,276	2,364,254
Communication costs	3,411,728	5,118,049
Travelling & conveyance	7,815,240	9,434,939
Other Expenses	3,921,747	446,287
Payment to auditors (refer details below)	955,060	842,700
Directors' sitting fee	364,046	179,777
Credit Cards Charges	4,410,439	3,859,518
Investment in Subsidiaries Written Off	56,280	2,000,000
	252,095,844	256,839,039
B. Selling & Distribution Expenses		
Advertisement & Sales Promotion	25,652,919	34,924,163
Commission charges	190,474	126,819
Transportation charges	41,205,855	36,136,884
Packing materials & expenses	33,862,993	34,705,854
	100,912,241	105,893,720
Total of other expenses	353,008,085	362,732,808
Payment to Auditors		
Audit Fee	955,060	842,700
Other Matters	-	-
Out of Pocket Expenses	-	-
Total of other expenses	955,060	842,700

28. Depreciation and Amortization Expenses

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Depreciation of tangible assets	19,491,794	33,166,482
Amortization of Intangible assets	1,387,147	1,652,417
	20,878,941	34,818,899

29. Finance Cost

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Interest on Term Loans	80,231,875	68,191,218
Interest on Unsecured Loans	15,914,113	11,046,933
Interest on Working Capital Loans	1,343,051	1,307,967
Total	97,489,039	80,546,118

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30. Earnings Per Share

The following reflects the profit / (loss) and share data used in the basic and diluted EPS computation

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Total Operations for the year		
Profit/(loss) after tax	97,512,902	(45,076,168)
Net Profit/(loss) for calculation of the basic EPS	<u>97,512,902</u>	<u>(45,076,168)</u>
Net Profit/(loss)	97,512,902	(45,076,168)
Net Profit/(loss) before Extra-ordinary items	97,313,070	(43,342,783)
Weighted average number of equity shares in calculating EPS	23,577,749	22,398,869
Share Warrant converted into equity	1,178,880	-
Convertible Share Warrant pending for conversion	2,773,840	-
Basic EPS after Extra-ordinary Items	4.14	(2.01)
Basic EPS before Extra-ordinary Items	4.13	(1.94)
Diluted EPS after Extra-ordinary Items	3.70	(2.01)
Diluted EPS before Extra-ordinary Items	3.69	(1.94)

31. Employee benefits

a) Defined contribution plans

The Company's employee provident fund scheme are defined contribution plan amounting to Rs.11,576,193/- (previous year Rs. 9,046,788/-) towards employee provident fund has been recognized as an expense in relation to the scheme and is included in employee benefits in the Statement of Profit and Loss.

b) Defined benefit plans

(i) General description of defined benefit plan:

Gratuity plan

The Company operates a gratuity plan wherein every employee is entitled to a benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vests after five years of continuous service. Gratuity benefits valued were in accordance with the payment of Gratuity Act, 1972.

(ii) The changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31-Mar-2015	31-Mar-2014
Present value of obligation as at the beginning of the year	1,599,599	709,022
Interest cost	145,564	57,431
Current service cost	1,456,097	924,440
Benefits paid	(29,770)	(250,606)
Actuarial (gain)/ loss on obligation	305,952	159,312
Present value of obligation as at the end of year	3,477,442	1,599,599

(iii) The amounts recognised in Balance Sheet are as follows:

Particulars	31 March 2015	31 March 2014
Present value of obligation as at the end of the year	3,477,442	1,599,599
Less: Fair value of plan assets as at the end of the year	-	-
Net liability recognized in Balance Sheet*	3,477,442	1,599,599

* The liability in respect of gratuity has been classified into non-current portion Rs. 3,417,548/- (previous year Rs. 1,594,453) and current portion Rs. 59,894/- (previous year Rs.5,146/-).

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(iv) The amounts recognised in Statement of Profit and Loss are as follows:

Particulars	31-Mar-2015	31-Mar-2014
Current service cost	1,456,097	924,440
Interest cost	145,564	57,431
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the year	305,952	159,312
Expenses recognized in the Statement of Profit and Loss	1,907,613	1,141,183

(v) Principal actuarial assumptions at the Balance Sheet date are as follows:

Particulars	31 March 2015	31 March 2014
Discount rate	7.80% p.a.	9.10% p.a.
Salary growth rate	10% p.a.	10% p.a.

Particulars	31 March 2015	31 March 2014
Retirement age	58 years	58 years
Mortality	IAL 2006-08	IAL 2006-08

(vi) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the prevailing market yield of government bonds as at the Balance Sheet date for the estimated term of the obligation and the estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

(vii) Experience on actuarial gain/ (loss) for Projected benefit obligation and plan assets:

Particulars	31 March 2015	31 March 2014	31 March 2013
Present value of obligation as at the end of year	34,77,442	15,99,599	7,09,022
Fair value of plan assets	-	-	-
Net liability recognised in Balance Sheet	34,77,442	15,99,599	7,09,022

c) Other long term benefit (Compensated absences)

The Company operates compensated absences plan, where in every employee is entitled to the benefit equivalent to 15 days leave salary for every completed year of service. The salary for calculation of earned leave is last drawn basic salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

An actuarial valuation of compensated absences has been carried out by an independent actuary on the basis of the following assumptions:

(i) The changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31 March 2015	31 March 2014
Present value of obligation as at the beginning of the year	1,602,462	906,033
Interest cost	145,824	73,389
Current service cost	1,232,305	10,68,601
Benefits paid	(335,879)	(213,038)
Actuarial (gain)/ loss on obligation	(288,487)	(232,523)
Present value of obligation as at the end of year	23,56,225	1,602,462

(ii) The amounts recognised in Balance Sheet are as follows:

Particulars	31 March 2015	31 March 2014
Present value of obligation as at the end of the year	2,356,225	1,602,462
Less: Fair value of plan assets as at the end of the year	-	-
Net liability recognized in Balance Sheet*	2,356,225	1,602,462

* The liability in respect of gratuity has been classified into non-current portion Rs. 1,462,633/- (previous year Rs.983,647/-) and current portion Rs. 893,592/- (previous year Rs. 618,815/-).

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(iii) The amounts recognised in Statement of Profit and Loss are as follows:

Particulars	31 March 2015	31 March 2014
Current service cost	1,232,305	1,068,601
Interest cost	145,824	73,389
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the year	(288,487)	(232,523)
Expenses recognized in the Statement of Profit and Loss	1,089,642	909,467

(iv) Principal actuarial assumptions at the Balance Sheet date are as follows:

Particulars	31 March 2015	31 March 2014
Discount rate	7.80% p.a.	9.10% p.a.
Salary growth rate	10% p.a.	10% p.a.
Particulars	31 March 2015	31 March 2014
Retirement age	58 years	58 years
Mortality	IAL	IAL
	2006-08	2006-08

(v) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the prevailing market yield of government bonds as at the Balance Sheet date for the estimated term of the obligation and the estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

(vi) Experience on actuarial gain/ (loss) for Projected benefit obligation and plan assets:

Particulars	31 March 2015	31 March 2014	31 March 2013
Present value of obligation as at the end of year	34,77,442	15,99,599	7,09,022
Fair value of plan assets	-	-	-
Net liability recognised in Balance Sheet	34,77,442	15,99,599	7,09,022

31. Leases

The company has taken premises for showroom for 12 years lease/license period with lock in period of one to three year. The escalation clause is variable between 12% to 15% after every three years and the company generally takes three month rent free time from the date of possession given by the landlord.

Obligations on long term, non-cancellable operating leases.

The lease rentals charged during the year and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective agreements.

Particular	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
A). Lease Rentals recognized during the year in Profit & Loss Account*	14,14,87,923	15,17,81,693
Obligations		
Within one year of the balance sheet date	14,26,01,348	9,59,78,850
Due in a period between one year and five years	65,55,56,510	41,16,48,944
Due after five years (as lease are cancelable by the Company after three to five years)	-	-

** Lease Rental recognized during the year includes Lease Rent Equalisation Reserve of Rs. 2,07,72,482/- P.Y. Rs. 4,39,65,684/-.

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32. Related Party Disclosures:

The Disclosures are required by the Accounting Standard - 18 (Related Party Disclosure) are given below:

A. Names of related parties and related party relationship with whom transaction have

(a) Subsidiary companies	VRL Movers Limited
(b) Company in which Key Management Personnels or their relatives have control/ significant influence	Ricon Commodities P. Ltd. Unicon Marketing P. Ltd. Vishal Water World P. Ltd. V2 Conglomerate Ltd.
(c) Key managerial personnel	
(i) Directors	Mr. Ram Chandra Agarwal (Director) Mrs. Uma Agarwal (Director)
(ii) Relative of key managerial personnel	Mr. Akash Agarwal (Son of Director)
(iii) Other	Mr. Mansu Tandon (CEO) Mr. Varun Kumar Singh (CFO) Mr. Yatish Bhardwaj (CS)

B. Summary of transactions with related party:

Particulars	Subsidiary companies		Enterprises in directors of the company are directors		Key managerial personnel		Relative of key managerial personnel	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013	31-03-2014	31-03-2013	31-03-2014	31-03-2013
1. Loans Repaid/ (Refunded)								
Ram Chandra Agarwal	-	-	-	-	37,966,647	5,300,000	-	-
Mrs. Uma Agarwal	-	-	-	-	670,000	-	-	-
Ricon Commodities Pvt. Ltd.	-	-	153,063,874	-	-	-	-	-
Vishal Water World Pvt Ltd.	-	-	120,000,000	232,680	-	-	-	-
V2 Conglomerate Ltd.	-	-	157,641,881	181,126,402	-	-	-	-
2. Loans Accepted								
Ricon Commodities Pvt. Ltd.	-	-	121,800,000	42,663,874	-	-	-	-
Vishal Water World Pvt Ltd.	-	-	20,000,000	-	-	-	-	-
V2 Conglomerate Ltd.	-	-	156,863,847	162,730,251	-	-	-	-
3. Remuneration								
Akash Agarwal	-	-	-	-	-	-	900,000	454,653
Manshu Tandon					1,176,626	-		
Varun Kumar Singh					764,100	-		
Yatish Bhardwaj					480,000	-		
4. Purchases during the year								
V2 Conglomerate Ltd.	-	-	27,810,866	86,203,372	-	-	-	-
5. Payment made								
V2 Conglomerate Ltd.	-	-	55,956,541	59,000,553	-	-	-	-
6. Amount Receivable								
VRL Retail Ventures Ltd.	-	12,80,000	-	-	-	-	-	-
7. Amount Payable								
V2 Conglomerate Ltd.	-	-	(636,573)	27,509,102	-	-	-	-
8. Loan Payable								
Mr. Ram Chandra Agarwal	-	-	-	-	805,860	38,772,507	-	-
Mrs. Uma Agarwal	-	-	-	-	417,576	1,087,576	-	-
Vishal Water World Pvt Ltd.	-	-	-	100,000,000	-	-	-	-
V2 Conglomerate Ltd. (Loan A/c)	-	-	-	778,034	-	-	-	-
Ricon Commodities Pvt. Ltd.	-	-	11,400,000	42,663,874	-	-	-	-
VRL Infrastructure Ltd.	-	51,835	-	-	-	-	-	-
VRL Movers Limited	-	643,882	-	-	-	-	-	-

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34. Expenditure in Foreign Currency (on accrual basis)

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Traveling Expenses	215,092	41,517
Total	215,092	41,517

35. Prior Period Items

Items of prior period debited to the statement of the Profit & Loss are as under:

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Expenses		
Cost of goods sold	-	186,460
Marketing	-	20,000
Professional charges	-	745,758
Legal charges	-	75,000
Misc. Balances written off	-	80,564
Repair to building	-	99,404
Transportation charges	-	181,719
Travelling expenses	-	315,922
Telephone expenses	-	28,558
Other expenses	-	-
Total expenses in	-	1,733,385
Misc. Incomes	199,832	-
Total incomes	199,832	-
Net Prior Period Expenses / (Incomes)	199,832	1,733,385

36. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of accounts (net of advances):

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Capital commitments towards new showrooms for which the agreement/MOU has been entered into with the landlord of the relevant showroom	6,000,000	1,906,417

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

In terms of notification no. G.S.R. 719(E) dated November 16, 2007 issued by the Central Government of India, the disclosure of payments due to any supplier as at March 31, 2011 are as follows:

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Balance of Sundry Creditors		
- Principal amount due to Micro, Small and Medium Enterprises	-	-
- Principal amount due to Others	-	-
Total	-	-
Interest accrued and due at the end of the year		
- Interest on payments due to Micro, Small and Medium Enterprises	-	-
- Interest on payments due to others	-	-
- Interest due and payable on amounts paid during the year to Micro, Small and Medium Enterprises beyond the appointed date	-	-
Total	-	-
Paid during the year		
Principal amount (including interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-	-
- Principal amount	-	-
- Interest thereon	-	-
Principal amount (excluding interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-	-
Others		
- Interest accrued in the prior year and paid during the year	-	-
- Interest accrued during the year and paid during the year	-	-

Note:- The Company has already initiated the process of identification of Micro, Small & Medium Enterprises suppliers and service providers, In view of large number of suppliers and non receipt of critical inputs, responses from several such potential parties, the liability of interest, if any cannot be reliably estimated. Hence the required disclosure has not been made.

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

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38. Contingent Liabilities

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
a. Outstanding Bank Guarantees	4,152,797	4,652,797
b. Disputed Sales Tax Demands - matter under appeal	291,007,117	291,007,117
c. Claims against the Company not acknowledged as debts	180,373,162	181,771,441
d. Claims by Income Tax Department	1,188,071,650	1,188,071,650
e. Claims by Provident Fund Department	-	-
e. Claims by Service Tax Department	30,208,391	30,208,391
Total	1,693,813,117	1,695,711,396

The Company has made provision in the books of account in the current year with respect to amount payable to Labour Welfare Fund. The Liability on account of the same was not provided for in the earlier years and the same cannot be ascertained, which in the view of the management is not likely to be material.

39. Details of Interest in Joint Ventures :

The Company's share of Assets, Liabilities, Income & Expenses of jointly controlled entity are as follows:

Name of the Company	Description of Interest	Country of Incorporation	Percentage Interest as at 31.03.12	Percentage Interest as at 31.03.11	
VRL Retailer Business Solutions Pvt. Ltd.	Equity	India	5.00%	5.00%	
		As at 31.03.2015		As at 31.03.2014	
Name of the Company	Assets (Rs.)	Assets (Rs.)	Assets (Rs.)	Liability (Rs.)	
VRL Retailer Business Solutions Pvt. Ltd	-	-	-	-	
		For the year ended 31.03.2015		For the year ended 31.03.2014	
Name of the Company	Income (Rs.)	Expenditure (Rs.)	Income (Rs.)	Expenditure (Rs.)	
VRL Retailer Business Solutions Pvt. Ltd	-	-	-	-	

There are no contingent liabilities in respect of the Joint Venture. The above figures are based on latest available unaudited accounts, drawn on the respective dates as certified by the management.

40. Previous year figures have been regrouped or rearranged wherever considered necessary to make them comparable with current year figures.

As per our report of even date
For **AKGVG & Associates**
Firm Registration no :018598N
Chartered Accountants

Sd-
Vimal Kumar Saini
Partner
Membership No: 515915

Place: New Delhi
Date: 29th May, 2015

For and on behalf of the Board of Directors of **V2 Retail Limited**

Sd-
Ram Chandra Agarwal
Managing Director
DIN 00491885

Sd-
Varun Kumar Singh
Chief Financial Officer

Sd-
Uma Agarwal
Director
DIN 00495945

Sd-
Yatish Bhardwaj
Company Secretary

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Independent Auditor's Report on Consolidated Financial Statements

To the Members of V2 Retail Limited.

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **V2 Retail Limited**. (herein referred as "the company") and its Subsidiaries and Joint Ventures (collectively referred to as the Group), which comprises the consolidated Balance Sheet as at 31 March 2015, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

2. Management's Responsibility for the Consolidated Financial Statements

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

3. Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Group has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Subject to Para 4(a), (b), (c), (d) and (e) below, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. Basis for Qualified Opinion

- a. *Attention is invited to note 4 of these consolidated financial statements, included in capital reserve amounting to Rs. 6,05,23,24,263/-, is Rs. 4,29,42,24,263/- arising out of transfer of asset and liabilities to the acquiring companies in earlier years for which necessary reconciliations/ information to the tune of Rs 3,72,24,324/- is not available with the Group. Accordingly in absence of the same, we are unable to comment on the appropriateness of capital reserve including consequential impact, if any, arising out of the same on these consolidated financial statements.*
- b. *Attention is invited to note 5 and 10 of these consolidated financial statements, the Group has outstanding short-term borrowings at the year-end due to a lender which include overdue principal and interest for which necessary supporting documents for balance confirmation at the year end and relevant information with relation to rate of interest is not available with the Group. In the absence of the same, we are unable to comment on appropriateness of the same.*
- c. *Attention is invited to note 14 of these consolidated financial statements, the Group has recognized Rs. 2,62,42,00,803/- as deferred tax assets at the year-end for which it does not have virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized in accordance with the principles of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Had the Group not recognized such deferred tax asset, impact on profit and loss account would have been decrease in profit during the year by Rs. 2,62,42,00,803/- and decrease in Reserves and Surplus by Rs. 2,62,42,00,803/-.*

- d. Attention is invited to note 38 of these consolidated financial statements, the Group has disclosed contingent liabilities on account of appeals with various statutory authorities at different levels amounting to Rs. 1,69,57,11,396/- for which necessary information is not available with the Group to reliably ascertain estimated amount of such liabilities and consequential impact thereof on these consolidated financial statements in accordance with Accounting Standard-29-'Provisions, Contingent Liabilities and Contingent Assets' issued by the Institute of Chartered Accountants of India. Hence, we are unable to comment on the same.
- e. Attention is invited to note 18 of these consolidated financial statements, the Group has year-end inventory of traded goods amounting to Rs. 42,65,95,393/- in its new warehouse at Mubarakpur, Haryana for which no physical verification was performed by us as the Group was in process of shifting such goods to this warehouse. Hence, we are unable to comment on such inventory lying at the Group's warehouse.

5. Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in para 4(a), (b), (c), (d) and (e)*, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2015;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

6. Emphasis of Matter

Without qualifying our opinion, we draw attention to note 4 of these consolidated financial statements, wherein the Group has accumulated losses amounting to Rs. 5,27,57,58,482/- at the year-end which raises concern regarding going concern status of the Group. However, during the year, the Group has earned profit after tax of Rs. 9,75,42,966/- and, having regard to improvement in the business conditions, increase in revenue from operations, cost rationalization measures adopted and opening of new stores by the Group, these consolidated financial statements have been prepared on a going concern basis and that no adjustments are required to the carrying value of assets and liabilities at the year-end.

7. Other Matter

We did not audit the consolidated financial information of a subsidiary, whose consolidated financial information is prepared under the generally accepted accounting principles accepted in India and whose consolidated financial results reflects total assets of Rs. 13,64,973/- as at March 31st 2015, total revenue of Rs. Nil for the year ended March 31st 2015, as well as net cash outflows of Rs. 9494/- for the year ended March 31st 2015. These financial results have been audited by other auditor whose report has been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiary is based solely on the report of such other auditor.

We did not audit the financial information of a joint venture, whose financial information reflect total assets of Rs. 23,903/- as at March 31st 2015 and total revenue of Rs. Nil for the year ended March 31st 2015, being the proportionate share of V2 Retail Group for the year ended. The financial information of joint venture has been prepared by the management, and our opinion is based solely on the management certified accounts. Our opinion is not modified in respect of this matter.

8. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. As required by section 143 (3) of the Act, we report that *except for the possible effects of the matters described in para 4(a), (b), (c), (d) and (e)*:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books and record of the company and subsidiary, the reports of the other auditor in respect of entities audited by them;
 - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors of the company and subsidiary company incorporated in India as on 31 March 2015, and taken on record by the Board of Directors of the Company and the subsidiary company respectively and the reports of the other auditors in respect of entities audited by them, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164(2) of the Act;

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- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note 38 of the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company based on the records of the Company, and subsidiary companies, the reports of the other auditors in respect of entities audited by them and representation received from the management for entities.

For **AKGVG & Associates**
Chartered Accountants
Firm registration number: 018598N

Place: New Delhi
Date: **29th May 2015**

Sd-
Vimal Kumar Saini
Partner
Membership no.: 515915

Annexure to the Auditor's Report to the members of V2 Retail Limited on the financial statements for the year ended 31 March 2015

- (i) (a) According to the information and explanation given to us, the Company has maintained proper records showing full particulars, and situation of fixed assets *except quantitative details*.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) *The management has conducted physical verification of inventory at reasonable intervals except for its new warehouse at Mubarikpur, Haryana having inventory of Rs 42,65,95,393/-, which have not been verified during or at the end of the year.*
- (b) In our opinion and according to information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.
- (iv) *In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the sale of goods and services and for the purchase of fixed assets. However, the internal control system for purchases of inventory is inadequate since the inventory items are entered into incorrect item codes at the time of recording in the system.*
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of Company's products. Therefore provisions of clause 4(viii) of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Sales tax, Wealth tax, Service tax, Duty of excise, Duty of customs, Value Added tax, Provident Fund, Employees State Insurance and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities *though there have been slight delays in a few cases*. As explained to us, the Company did not have any dues on account of Cess. According to the information and explanations given to us, no undisputed amounts payable in respect of Employees State Insurance, Provident Fund, Income-tax, Sales tax, Wealth tax, Service tax, Duty of excise, Duty of customs, Value added tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- (b) *According to the information and explanations given to us, other than the amounts reported below, there are no amounts in respect of Income-tax, Sales tax, Wealth tax, Service tax, Duty of customs and Duty of excise that have not been deposited by the Company with the appropriate authorities on account of any dispute:*

Name of the Statute	Nature of the Dues	Period to which	Amount (Rs.) Relates(FY)	Forum where dispute is pending
Service Service Tax Laws	Service Tax	2006-07 To 2010-11	30,208,391	Commissioner of Service Tax
Sales Tax Laws	Sales Tax	2006-07	5,155,233	Assistant Commissioner of Sales Tax
	Sales Tax	2007-08	10,000,000	Appellate Authority of Sales Tax
	Sales Tax	2007-08	17,353,962	Jt. Commissioner (Appeals) of Sales Tax
	Sales Tax	2007-08	1,525,511	Assistant Commissioner of Sales Tax
	Sales Tax	2008-09	50,000	Assistant Commissioner of Sales Tax
	Sales Tax	2008-09	4,849,098	Assistant Commissioner of Sales Tax
	Sales Tax	2009-10	50,000	Assistant Commissioner of Sales Tax
	Sales Tax	2008-09	1,248,180	Jt. Commissioner (Appeals) of Sales Tax
	Sales Tax	2009-10	203,000	Jt. Commissioner (Appeals) of Sales Tax
	Sales Tax	2009-10	2,242,668	Assistant Commissioner of Sales Tax
	Sales Tax	2007-08	6,810,980	Deputy Commissioner, Jaipur of Sales Tax
	Sales Tax	2008-09	8,387,111	Deputy Commissioner, Jaipur of Sales Tax
	Sales Tax	2006-07	624,180	Deputy Commissioner of Sales Tax
	Sales Tax	2007-08	2,986,774	Deputy Commissioner of Sales Tax
	Sales Tax	2008-09	2,200,000	Deputy Commissioner of Sales Tax
Sales Tax	2008-09	226,600,000	Deputy Commissioner of Sales Tax	
Sales Tax	2010-11	720,420	Deputy Commissioner (Appeals) of Sales Tax	
Income Tax	Income Tax	2010-11	1,188,071,650	CIT (Appeals) of Income Tax
Total			1,509,287,158	

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- (c) The Company did not have any dues on account of Investor Education and Protection Fund.
- (viii) The company has accumulated losses at the end of the financial year which exceed fifty percent of its net worth. Further, company earned cash profit in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has defaulted in repayment of dues to a financial institution.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit for the year.

For **AKGVG & Associates**
Chartered Accountants
Firm registration number: 018598N

Place: New Delhi
Date: **29th May 2015**

Sd-
Vimal Kumar Saini
Partner
Membership no.: 515915

Consolidated Balance Sheet as at 31st March 2015

(Amount in Rs.)

PARTICULARS	Notes	As at 31st March 2015	As at 31st March 2014
I. Equity and liabilities			
(1) Shareholder's Funds			
(a) Share capital	3	235,777,490	223,988,690
(b) Reserves and Surplus	4	2,497,809,59	2,398,274,725
(c) Money received against Share Warrants		6,934,600	-
Capital reserve on consolidation of Joint Venture		2,067,903	2,067,903
		2,742,589,588	2,624,331,318
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	155,943,523	377,186,923
(b) Other Long term liabilities	6	4,938,000	4,915,000
(c) Long term provisions	7	69,618,347	46,543,784
		230,499,870	428,645,707
(3) Current Liabilities			
(a) Short-term borrowings		-	1,280,000
(b) Trade payables	9	352,189,271	281,980,829
(c) Other current liabilities	10	717,992,160	511,611,287
(d) Short-term provisions	8	4,675,374	6,345,849
		1,074,856,805	801,217,965
Total		4,047,946,263	3,854,194,992
II. ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	11	180,909,096	140,351,383
(ii) Intangible assets	12	1,602,252	2,989,399
(iii) Capital work-in-progress		11,592,320	449,600
Share in Joint Venture			
(b) Non Current Investment	13	303,868,421	311,868,537
(c) Deferred tax assets (net)	14	2,624,200,803	2,711,135,913
(d) Long term loans and advances	15	22,819,865	17,244,765
(e) Other non-current assets	16	32,400,528	50,228,040
		3,177,393,285	3,234,267,640
(2) Current assets			
(a) Inventories	17	793,182,397	555,203,911
(b) Trade receivables	18	1,253,195	1,185,652
(c) Cash and cash equivalents	19	11,226,058	21,450,484
(d) Short-term loans and advances	20	64,716,728	41,956,711
(e) Other current assets	21	174,600	130,591
		870,552,978	619,927,349
Total		4,047,946,263	3,854,194,990

The accompanying notes are an internal part of the financial statements.

As per our report of even date
For **AKGVG & Associates**
Firm Registration no :018598N
Chartered Accountants

For and on behalf of the Board of Directors of **V2 Retail Limited**

Sd-
Vimal Kumar Saini
Partner
Membership No: 515915

Sd-
Ram Chandra Agarwal
Managing Director
DIN 00491885

Sd-
Uma Agarwal
Director
DIN 00495945

Place: New Delhi
Date: 29th May, 2015

Sd-
Varun Kumar Singh
Chief Financial Officer

Sd-
Yatish Bhardwaj
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March 2015

(Amount in Rs.)

PARTICULARS	Notes	As at 31st March 2015	As at 31st March 2014
Income			
Revenue from operations (Gross)	22	2,983,220,636	2,378,182,636
Less Sales Tax / VAT		115,543,949	89,259,463
Revenue from operations (Net)		2,867,676,687	2,288,923,173
Other Income	23	25,182,460	22,065,952
Total revenue (I)		2,892,859,147	2,310,989,125
Expenses:			
Purchase of Traded Goods	24	2,291,743,129	1,828,719,837
Net (Increase) / decrease in inventory of traded goods	25	(237,978,486)	(106,942,067)
Employee benefit expense	26	183,486,981	159,200,622
Other expenses	27	352,956,552	365,536,564
Total (II)		2,590,208,176	2,246,514,960
Earnings before interest, tax, depreciation and amortization (EBITDA)	(I) - (II)	302,650,971	64,474,165
Depreciation and amortization expense	28	20,878,941	34,818,899
Share in Joint Venture			
Finance Cost	29	97,489,039	80,546,118
Profit/(Loss) before tax		184,282,991	(50,890,852)
Tax expense			
- Current tax			
- Income tax earlier years		(5,854,152)	-
-Deferred tax		86,935,110	(1,721,868)
Total tax expense		86,935,110	(7,576,020)
Profit (Loss) after tax and before Extra Ordinary Items		97,347,881	(43,314,832)
- Prior Period expenses		(199,832)	1,733,385
Profit/(Loss) for the year		97,547,713	(45,048,217)
Profit/ (Loss) attributable to Minority		4,747	(23,434)
		97,542,966	(45,071,651)
Earnings per equity share [nominal value of share Rs. 10 (P.Y. Rs. 10)] before Extra Ordinary Items	30		
-Basic		4.13	(1.93)
-Diluted		3.69	(1.93)
Earnings per equity share [nominal value of share Rs. 10 (P.Y. Rs. 10)] after Extra Ordinary Items	30		
-Basic		4.14	(2.01)
-Diluted		3.70	(2.01)

The accompanying notes are an internal part of the financial statements.

As per our report of even date
For **AKGVG & Associates**
Firm Registration no :018598N
Chartered Accountants

For and on behalf of the Board of Directors of **V2 Retail Limited**

Sd-
Vimal Kumar Saini
Partner
Membership No: 515915

Sd-
Ram Chandra Agarwal
Managing Director
DIN 00491885

Sd-
Uma Agarwal
Director
DIN 00495945

Place: New Delhi
Date: 29th May, 2015

Sd-
Varun Kumar Singh
Chief Financial Officer

Sd-
Yatish Bhardwaj
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March 2015

(Amount in Rs.)

	As at 31st March 2015	As at 31st March 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax but after prior period items	184,478,076	(52,647,669)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	20,878,941	34,818,899
Interest Reversed & Liabilities written off		
Interest income	(1,471,094)	(952,433)
Finance charges	96,145,988	79,238,151
Operating profit before working capital changes	300,031,911	60,456,949
Movements in working capital :		
Increase/(decrease) in trade payables	70,208,442	35,247,741
Increase/(decrease) in long-term provisions	23,074,563	45,276,311
Increase/(decrease) in short-term provisions	(1,670,475)	2,176,085
Increase/(decrease) in other current liabilities	206,380,875	103,857,996
Increase/(decrease) in other long-term liabilities	23,000	55,000
decrease/(Increase) in trade receivables	(67,543)	(281,019)
decrease/(Increase) in inventories	(237,978,486)	(106,942,068)
decrease/(Increase) in long-term loans and advances	(5,575,100)	(689,662)
decrease/(Increase) in short-term loans and advances	(22,760,017)	(9,233,944)
decrease/(Increase) in other current assets	(44,009)	35,559
decrease/(Increase) in other non-current assets	17,783,863	(17,909,538)
Cash generated from operations	349,407,024	112,049,410
Direct Taxes paid	-	5,854,152
Net cash flow from operating activities (A)	349,407,024	117,903,562
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets, including intangible assets, CWIP and capital advances	(63,192,108)	(71,708,674)
Interest received	1,514,743	401,691
Net cash flow used in investing activities (B)	(61,677,365)	(71,306,983)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (net of expenses on issue of shares)	18,723,400	-
Change in Capital Reserve	-	(23,903)
Change in Capital Reserve due to slump sale in previous year	-	(25,726,012)
Impact of Strike off Subsidiaries	1,991,904	-
Repayment of long term borrowings	(221,243,400)	61,586,177
Proceeds from short term borrowings (net of repayments)	(1,280,000)	-
Finance charges	(96,145,990)	(79,238,153)
Net cash flow from/(used in) financing activities (c)	(297,954,086)	(43,401,890)
Net decrease in cash and cash equivalents (A+B+C)	(10,224,428)	3,194,689
Cash and cash equivalents at the beginning of the year	21,450,485	18,255,797
Cash and cash equivalents at the end of the year (refer note - 1)	11,226,058	21,450,485

Notes :The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India

Cash and cash equivalents	March 31'2015	March 31'2014
Cash in hand	7,736,066	7,926,312
Balance with		
On current accounts	2,793,296	13,073,937
Deposits with original maturity of less than 3 months		
Balances with credit card banks	696,696	450,235
	11,226,058	21,450,485

The accompanying notes are an internal part of the financial statements.

As per our report of even date
For **AKGVG & Associates**
Firm Registration no :018598N
Chartered Accountants

Sd-
Vimal Kumar Saini
Partner
Membership No: 515915

Place: New Delhi
Date: 29th May, 2015

For and on behalf of the Board of Directors of **V2 Retail Limited**

Sd-
Ram Chandra Agarwal
Managing Director
DIN 00491885

Sd-
Varun Kumar Singh
Chief Financial Officer

Sd-
Uma Agarwal
Director
DIN 00495945

Sd-
Yatish Bhardwaj
Company Secretary

1. Corporate information:

V2 Retail Limited formerly known as Vishal Retail Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. Its shares are listed in India on the Bombay stock exchange and the National stock exchange. The Company is engaged in the business of retail sales of garments, textiles, accessories, consumer durables and FMCG products in India.

Components of the V2 Group

The Consolidated Financial Statement represent consolidation of accounts of the Company and its subsidiaries, Joint Ventures as detailed below (Same as in previous year):

Sr. No.	Name of the Company	Nature of Company
1.	VRL Movers Limited *	Subsidiary companies by virtue of control over the composition of board of director.
2.	VRL Retailer Business Solutions Pvt. Ltd.	Joint Venture

2. Basis of Preparation of Consolidated Financial Statements

The financial statements of V2 Retail Limited, "the company", its subsidiary companies, and Joint ventures ("the Group") have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) of the provisions of the Companies Act, 1956 and the other provision of the Companies Act 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

2.1 Principles of Consolidation

The Companies considered in the Consolidated Financial Statements are:

Name of the Subsidiaries	Country of Incorporation	Ownership Interest	Financial Yearends on
VRL Movers Limited *	India	50%	31st March, 2015

* These are subsidiary companies by virtue of control over the composition of board of director.

The Joint Venture considered in the Consolidated Financial Statements are:

Name of the Company	Description of Interest	Country of Incorporation	Percentage Interest as at 31.03.15	Percentage Interest as at 31.03.14
VRL Retailer Business Solutions Pvt. Ltd.	Equity	India	5.00%	5.00%

The consolidated Financial Statements have been prepared on the following basis:

- A) The consolidated financial statements of the Group have been prepared in accordance with the Accounting Standard 21, "Consolidated Financial Statements", and Accounting Standard - 27 "Financial Reporting of Interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006 as amended.
- B) The financial statements of the Company and its subsidiary Companies have been consolidated on a line -by- line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra- group balances and intra-group transactions resulting in unrealized profits/ losses, if any.
- C) The Consolidated Financial Statements have been prepared by using uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible in the same manner as those of the parent company's independent financial statements unless stated otherwise.
- D) The difference between cost of investment in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- E) Minority Interest in the consolidated Financial statement is identified and recognized after taking into consideration, the minority share of movement in equity since the date parent- subsidiary relationship came into existence
- F) Investments in Joint Ventures are dealt with in accordance with Accounting Standard (AS-27) "Financial Reporting of Interests in Joint Ventures". The Company's interest in jointly controlled entities are reported using proportionate consolidation method, whereby the Company's share of jointly controlled assets and liabilities and the share of income and expenses of the jointly controlled entities are reported as separate line items. The Company's share of the post acquisition profits or losses is included in the carrying cost of investments.

2.2 Summary of significant accounting policies are as set out as under:

a) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Tangible Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

c) Depreciation on Tangible Assets

The Company has changed its method of depreciation on fixed assets from Written Down Value ("WDV") method to Straight Line Method ("SLM") method except building, as management believes that such change in accounting policy results in fair recognition of depreciation charge vis-à-vis its operations particularly when the Company is on growth path, which presents the financial results more appropriately. Due to such change in method of depreciation, adoption of Schedule-II of the Companies Act, 2013-depreciation charge is lower by Rs. 114.56 Lacs, reserve and surplus/ profit after tax is higher by Rs. 77.39 Lacs (net of tax Rs. 37.17 Lacs) and profit before tax is higher by Rs. 114.56 Lacs, for the year ended 31 March 2015. And, in case of fixed assets whose useful life has been completed as on 31 March 2014, the carrying value (net of residual value) of those assets has been charged along with depreciation charge for the year ended 31 March 2015. In respect of assets acquired/sold during the year, depreciation has been provided on pro-rata basis with reference to the number of days.

d) Intangible Assets

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

e) Leases

Lease arrangements where the risk & rewards incidental to ownership of assets substantially vest with the Lessor, are recognized as Operating Leases. Lease rental under operating leases are recognized in the profit/ loss account as per terms & conditions of the Lease Agreements

Where Company is the Lessor

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

f) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

g) Impairment of tangible and intangible assets

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

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

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

h) Investments

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

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Investment property

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

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

Depreciation on building component of investment property is calculated on a Written Down Value prescribed under the Schedule II to the Companies Act, 2013. The company has used the depreciation rate of 5%.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) Inventories

The Company has only Finished Goods in its Inventory which is valued at lower of cost and net realizable value. Cost of inventory comprises of cost of purchases and other costs incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method.

j) Revenue Recognition

Sale of goods

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

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Income from services

Revenues from Rent and Display activities are recognized as and when services are rendered. The company collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

k) Foreign Currency Transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at cost.

Any income or expense on account of exchange differences either on settlement or on translation of transactions is recognized in the Profit and Loss Account.

l) Retirement and other employee Benefits

i. Short term employee benefits:

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

ii. Long term employee benefits:

• **Defined contribution plans:**

The Contributions for Provident Funds & E.S.I.C. are deposited with the appropriate government authorities and are recognized in the Profit & Loss Account in the financial year to which they relate and there is no further obligation in this regard.

• **Defined Benefit Plans:**

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

- Other long term employee benefits :

Benefits under the Company's leave encashment scheme constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gain and losses are recognized immediately in the Profit and Loss Account.

m) Income Taxes

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

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

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

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

n) Segment Reporting

The Company is engaged in the business of retail trade of garments, textiles, accessories and FMCG in India and there are no separate reportable segments as per AS-17 "Segment reporting" notified by Companies (Accounting Standards) Rules, 2006.

o) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Provisions

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

q) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

r) Cash and cash equivalents

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

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3. Share Capital

Particulars	As at 31-March-2015 (Rs.)	As at 31-March-2014 (Rs.)
Authorised Share Capital		
Equity share capital		
30,000,000 (Previous Year : 30,000,000) equity shares of Rs. 10/- each	300,000,000	300,000,000
Preference Share Capital		
400,000 (Previous Year : 400,000) preference shares of Rs. 146/- each	58,400,000	58,400,000
	358,400,000	358,400,000
Issued, subscribed & fully paid up		
23,577,749 (Previous Year : 22,398,869) Equity Shares of Rs. 10/- each, fully paid up	235,777,490	223,988,690
Total	235,777,490	223,988,690

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

Particulars	As at 31- Mar, 2015		As at 31- Mar, 2014	
	Numbers	Amount	Numbers	Amount
At the beginning of the period	23,577,749	235,777,490	22,398,869	223,988,690
Outstanding at the end of period	23,577,749	235,777,490	22,398,869	223,988,690

b. Terms / rights attached to equity shares / warrants

The Company has only one class of equity shares having a par value of '10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The Board of Directors of the Company has not declared any dividend during the reporting period. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity Shares of Rs. 10 each fully paid	As at 31- Mar, 2015		As at 31- Mar, 2014	
	Numbers	% holding	Numbers	% holding
Unicon Marketing Private Limited	5,444,710	23.093	5,444,710	24.3097
Ricon Commodities Private Limited	4,940,000	20.952	4,940,000	22.0547

4. Reserve & Surplus

Particulars	As at 31-March-2015 (Rs.)	As at 31-March-2014 (Rs.)
Securities Premium		
Balance as per last financial statements	1,713,495,845	1,713,495,845
Add: Addition during the year	-	-
Closing Balance	1,713,495,845	1,713,495,845
Capital Reserve		
Balance as per last financial statements	6,060,072,231	6,085,798,243
Add: Addition during the year	-	(25,726,012)
Closing Balance	6,060,072,231	6,060,072,231
Surplus/(deficit) in the statement of profit & loss		
Balance as per last financial statement	(5,375,293,351)	(5,330,221,700)
Impact of Strike off Subsidiaries	1,991,904	-
Add: Loss for the period	97,542,966	(45,071,651)
Closing Balance	(5,275,758,482)	(5,375,293,351)
Total	2,497,809,595	2,398,274,725

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5. Long Term Borrowings

	Non-Current Portion		Current Portion	
	31st March 2015 (Rs.)	31st March 2014 (Rs.)	31st March 2015 (Rs.)	31st March 2014 (Rs.)
Term Loan				
From Financial Institutions	-	-	537,154,363	456,922,488
Deposits (Unsecured)				
Inter-corporate deposits	154,720,087	337,326,840	-	-
From Directors	1,223,436	39,860,083	-	-
	155,943,523	377,186,923	-	-
Total	155,943,523	377,186,923	537,154,363	456,922,488
The above amount includes				
Secured borrowings	-	-	537,154,363	456,922,488
Unsecured Borrowings	155,943,523	377,186,923	-	-
Amount Disclosed under the head "other current liabilities" (note 10)				
Total	155,943,523	377,186,923	537,154,363	456,922,488

Securities furnished in respect of long term borrowings taken by the Company

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

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

The loan originally taken from HSBC Bank Limited has been assigned to Pegasus Assets Reconstruction Pvt. Ltd.

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

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

First paripassu charge by way of equitable mortgage of property in the name of VRL situated at Khasra No. 122/43,122/44, Mouza Central Hope town (Selakui), Paragana Pachwodopon, TehsilVikas Nagar, district Dehradun.

First paripassu charge by way of equitable mortgage of property in the name of VRL situated at Krishna nagar Village, Taluq Hubli, District Dharwad.

First paripassu charge by way of equitable mortgage of property in the name of VRL situated at PJE Plaza, deg No.77-78,81,82 Khasra B no.655-11-5-12, Mauza -Kyenjara, VIP road, Kolkata (except ground floor which is exclusively mortgaged to HDFC Bank)

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

Corporate Guarantee of Vishal Water World Pvt. Limited

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

B. Bank of India, ING Vysya Bank and UCO Bank

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

Exclusive charge with Bank of India of property at industrial land Khata no.329, Khasra No. 122/43 Mouza Central Hope town, (Saelakui), Paragna Pachwodopon, Tehsil Vikas Nagar, District Dehradun (Note: this is a small piece of land measuring 0.57 acres distinct from the other property at Dehradun over which SBI and Pegasus have a charge)

Subservient charge on Current Assets

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

Pledge of 953,770 shares of VRL.

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

Post dated Cheques for Principal Amount + FITL

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

6. Other Long Term Liabilities

Particulars	Non Current Portion	
	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Security Deposit *	4,938,000	4,915,000
	4,938,000	4,915,000

*The above amount includes security deposit received against renting of showroom at VIP Road, Kolkata Rs.48,00,000 (previous year 48,00,000) and security deposit received from shop-in-shop vendors of Rs. 138,000 (previous Year 115,000)

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7. Long Term Provisions

Particulars	Non Current Portion	
	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Provision for employee benefits		
Provision for Gratuity	3,417,548	1,594,453
Provision for Leave Encashment	1,462,633	983,647
Other Provisions		
Lease Equalization Reserve	64,738,166	43,965,684
	<u>69,618,347</u>	<u>46,543,784</u>

8. Short Term Provisions

Particulars	Current Portion	
	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Other provisions		
Provision for litigations	3,721,888	3,721,888
Others	-	2,000,000
Provision for employee benefits		
Provision for Gratuity	59,894	5,146
Provision for Leave Encashment	893,592	618,815
Total	<u>4,675,374</u>	<u>6,345,849</u>

9. Trade Payables

Particulars	Current Portion	
	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Trade Payables (refer note 37 for details of dues to micro and small enterprises)	352,189,271	281,980,829
Total	<u>352,189,271</u>	<u>281,980,829</u>

10. Other Current Liabilities

Particulars	Current Portion	
	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Current maturities of long-term liabilities (note 5)	537,154,363	456,922,488
Salary & Bonus Payable	13,761,700	11,873,938
Other Statutory Liabilities	6,506,322	3,838,795
Advance Against Sale of Property	5,000,000	-
Over Drawn Current Accounts	138,447,315	23,046,055
Others	17,122,460	15,930,011
Share in Joint Venture	-	-
Total	<u>717,992,160</u>	<u>511,611,287</u>

11. Tangible Assets

Particulars	Lease Hold Buildings	Plant & Machinery	Generator Set	Furniture & Fixture	Electrical Equipments & Fittings	Office Equipments	Air Conditioner	Compute	Motor Vehicles	Total
Cost or valuation										
At 31 March 2013	4,034,195	2,394,055	7,729,917	47,626,217	16,239,207	1,271,103	12,153,884	12,100,237	2,206,600	105,755,415
Additions	403,523	284,469	9,009,000	32,690,450	12,802,901	39,207	16,495,774	9,756,422	53,760	81,535,506
At 31 March 2014	4,437,718	2,678,524	16,738,917	80,316,667	29,042,108	1,310,310	28,649,658	21,856,659	2,260,360	187,290,921
Additions	234,407	815,406	1,344,500	38,098,892	22,49,363	1,037,471	2,360,101	5,861,248	48,000	52,049,388
At 31 March 2014	4,672,125	3,493,930	18,083,417	118,415,559	31,291,471	2,347,781	31,009,759	27,717,907	2,308,360	239,340,309
Depreciation										
At 31 March 2013	679,691	456,867	1,375,330	9,271,806	2,472,851	259,993	2,358,093	4,559,329	985,066	22,419,026
Charge for the year	363,331	289,635	1,923,414	10,732,788	2,915,110	143,973	3,113,905	4,716,912	321,441	24,520,509
At 31 March 2014	1,043,022	746,502	3,298,744	20,004,594	5,387,961	403,966	5,471,998	9,276,241	1,306,507	46,939,535
Charge for the year	551,091	217,251	1,113,745	11,014,970	2,868,156	337,849	1,907,291	4,998,068	265,954	23,274,375
Other adjustments*	304,071	(365,800)	(1,672,123)	(5,361,742)	(1,380,943)	212,282	(2,772,406)	(214,344)	(531,692)	(11,782,697)
Net Block										
At 31 March 2014	3,394,696	1,932,022	13,440,173	60,312,073	23,654,147	906,344	23,177,657	12,580,418	953,853	140,351,383
At 31 March 2015	2,773,941	2,895,977	15,343,051	92,757,737	24,416,297	1,393,684	26,402,876	13,657,942	1,267,591	180,909,096

* Due to change in method of depreciation from "Written Down Method" to "Straight Line Method"

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12. Intangible Asset

Particulars	Computer Softwares	Total
Gross Block		
At 31 March 2013	4,837,680	4,837,680
Additions \purchases during the year	2,209,573	2,209,573
Internal development	-	-
Adjustments/Sold during the year	-	-
At 31 March 2014	7,047,253	7,047,253
Additions \purchases during the year	-	-
Internal development	-	-
Adjustments/Sold during the year	-	-
At 31 March 2015	7,047,253	7,047,253
Amortization		
At 31 March 2013	2,405,437	2,405,437
Charge for the year	1,652,417	1,652,417
Adjustments/Sold during the year	-	-
At 31 March 2014	4,057,854	4,057,854
Charge for the year	1,060,676	1,060,676
Other Adjustments during the year	326,471	326,471
At 31 March 2015	5,445,001	5,445,001
Net block		
At 31 March 2014	2,989,399	2,989,399
At 31 March 2015	1,602,252	1,602,252

* Due to change in method of depreciation from "Written Down Method" to "Straight Line Method"

13. Non Current Investments

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Investment property (at cost less accumulated depreciation)		
Investments in Land & Building which are not used for the operations of Company	336,785,788	336,785,788
Less: Accumulated depreciation	72,517,367	64,517,251
Net Block of investment property	264,268,421	272,268,537
Long Term Non trade Investment (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
There are no restrictions on the right of ownership, reliability of investments or the remittance of income and proceeds of disposal.		
The Company earned an interest @ 0.50% P.A. on Compulsory Convertible Debentures		
Investment in Debentures		
Compulsory Convertible Debentures (CCD) of TPG Wholesale Pvt. Ltd. at a coupon rate of .5% per annum, all		
CCD shall be mandatorily convertible into equity shares of TPG immediately prior to TPG IPO or upon completion of 10 years from issuance of CCD whichever is earlier	39,600,000	39,600,000
	39,600,000	39,600,000
	303,868,421	311,868,537

Investment property given as security

Investment property with a carrying amount of Rs. 26,42,68,421 (P.Y. Rs. 27,22,68,537) are subject to first charge to secure the companies term loan taken from bankers and financial institutions as detailed in securities furnished in respect of loans taken by the company

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14. Deferred Tax Asset

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the net decrease in deferred tax asset of 8,69,35,110 for the current year has been recognized in the profit & loss account. The tax effect of significant timing differences as at 31st March, 2011 that reverse in one or more subsequent years gave rise to the following net deferred tax assets as at March 31, 2015.

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Increase in Deferred Tax Liabilities		
On Account of Depreciation	5,200,035	698,537
for the Current Period	88,447,579	20,858,208
Total Increase in Deferred Tax Liabilities	<u>93,647,614</u>	<u>21,556,745</u>
Increase in Deferred Tax Assets		
Provision for Gratuity	609,266	288,948
Provision for Leave Encashment	244,558	225,956
Provision for Diminution in Investment in Subsidiary	(648,900)	648,900
Lease Equalisation Reserve	6,739,632	14,264,666
Bonus	32,047	411,573
Adjustment of Previous year loss	-	7,134,739
Depreciation Adjustment	(258,257)	303,831
Reversal of DTL on assets whose useful life expired	(5842)	-
Loss for the Current Period	-	-
Total Increase in Deferred Tax Assets	<u>6,712,504</u>	<u>23,278,613</u>
Net Deferred Tax Assets / (Liabilities) for the Year	<u>(86,935,110)</u>	<u>1,721,868</u>
Opening Deferred Tax Assets/ (Liabilities)	<u>2,711,135,913</u>	<u>2,709,414,045</u>
Closing Deferred Tax Assets/ (Liabilities)	<u>2,624,200,803</u>	<u>2,711,135,913</u>

15. Long term Loans & Advances

Particulars	Non Current	
	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Unsecured Advances, considered good		
Security Deposit towards premises taken on Lease and others	22,819,865	17,244,765
Advances recoverable in cash or in kind or for value to be received	-	-
Advance income-tax (net of provision for taxation)	-	-
Total	<u>22,819,865</u>	<u>17,244,765</u>

16. Other Non Current Assets

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
A) Secured, considered good		
Fixed deposit with banks (held as Margin Money with Banks towards Bank Guarantees)	7,564,397	7,608,046
B) Secured, considered good Balances with statutory / government authorities		
Advance with Provident Fund Department	-	33,547,777
Advance with Service Tax Department	7,500,000	7,500,000
Other Assets	1,336,131	1,572,217
Income Tax deposited for A.Y. 2011-12 under protest	16,000,000	-
Total	<u>32,400,528</u>	<u>50,228,040</u>

17. Inventories (Valued at lower of Cost or Net Realizable Value)

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Traded goods (Refer Note 25)	793,182,397	555,203,911
Total	<u>793,182,397</u>	<u>555,203,911</u>

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18. Trade Receivables (Unsecured considered good unless otherwise stated)

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Receivables outstanding for a period exceeding six months from the date they are due for payment	-	950,465
Other receivables		
- Considered good	1,253,195	235,187
Total	1,253,195	1,185,652

19. Cash & Cash Equivalent

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Cash and cash equivalents		
Balances with banks in:		
- Current accounts	2,793,296	13,073,937
Credit Card Receivables	696,696	450,235
Cash on hand	7,736,066	7,926,312
Total	11,226,058	21,450,484

20. Short term Loans & Advances

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Unsecured Advances, considered good		
Security Deposit towards premises taken on Lease and others		
Advances recoverable in cash or in kind or for value to be received	36,949,445	16,835,929
Advance income-tax (net of provision for taxation)	8,590,499	6,538,168
Balances with statutory / government authorities	19,176,784	18,582,614
	64,716,728	41,956,711

21. Other Current Assets

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Interest accrued on investment	174,600	130,591
	174,600	130,591

22. Revenue from operations

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Sale of Products		
Traded Goods	2,977,656,740	2,374,503,801
Other operating revenue	-	-
Scrap Sales	5,563,895	3,678,835
Revenue from operations (gross)	2,983,220,635	2,378,182,636
Less Sales Tax / VAT	115,543,949	89,259,463
Revenue from operations (Net)	2,867,676,686	2,288,923,173
Details of product goods sold (net of VAT)		
Apparels	2,461,610,274	1,947,897,677
Non Apparels	400,166,340	337,599,765
Others	5,446,732	3,425,731
Revenue from operations (Net)	2,867,676,686	2,288,923,173

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23. Other Incomes

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Bank Deposits	646,168	633,747
Others*	824,925	318,686
Display income	4,031,367	1,433,519
Rental Income	19,680,000	19,680,000
Other Incomes	-	-
	<u>25,182,460</u>	<u>22,065,952</u>

*Interest income on others includes interest on Compulsory convertible debentures issued by TPG Wholesale Private Limited of Rs. 1,94,001/- (Previous year Rs.1,94,001/-)

24. Details of purchase of traded goods

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Purchase of traded goods	2,291,743,129	1,8,28,719,837
	<u>2,291,743,129</u>	<u>1,8,28,719,837</u>

25. Increase / Decrease in Inventory

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Inventories at the end of the year		
Traded goods	793,182,397	555,203,911
	<u>793,182,397</u>	<u>555,203,911</u>
Inventories at the beginning of the year		
Traded goods	555,203,911	448,261,844
	<u>555,203,911</u>	<u>448,261,844</u>
Net (Increase) / Decrease in inventory of traded goods	<u>(237,978,486)</u>	<u>(106,942,067)</u>

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Details of traded goods purchased		
Apparels	1,960,877,976	1,591,582,110
Non Apparels	330,865,153	239,918,050
Fast-moving consumer goods	-	-
	<u>2,291,743,129</u>	<u>1,831,500,160</u>

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Details of inventory at the end of the year		
Apparels	661,980,710	481,135,407
Non Apparels	131,201,687	74,068,504
	<u>793,182,397</u>	<u>555,203,911</u>

26. Employee Benefit Expense

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Salary, wages & bonus	165,525,134	143,842,508
Gratuity expenses (refer note 31)	1,907,613	1,141,183
Contribution to PF & others	11,576,193	9,046,788
Staff welfare expenses	4,478,041	5,170,143
Total	<u>183,486,981</u>	<u>159,200,622</u>

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27. Other Expenses

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
A. Manufacturing, Administrative & Other Expenses		
Power & fuel Expenses	50,384,097	47,224,345
Rent	141,487,923	151,781,693
Repairs & maintenance-	-	-
- Building	1,813,260	1,057,673
- Plant & machinery	114,642	11,765
- Others	9,501,659	7,091,095
Insurance charges	487,373	446,849
Rates & taxes	4,862,615	1,971,297
Bank charges	5,834,272	8,907,674
Cash pick-up charges-CMS	2,563,380	2,140,799
Legal & professional fess	6,315,128	4,092,877
Motor Vehicle Expenses	796,670	651,363
Printing & stationery	3,868,734	4,109,451
Security service charges	1,784,775	3,123,378
Housekeeping expenses	1,349,276	2,364,254
Communication costs	3,411,728	5,118,049
Travelling & conveyance	7,815,240	9,434,939
Other Expenses	3,921,747	446,287
Payment to auditors (refer details below)	957,307	849,441
Directors' sitting fee	364,046	179,777
Credit Cards Charges	4,410,439	3,859,518
Investment in Subsidiaries Written Off	-	2,000,000
	252,044,311	256,862,524
B. Selling & Distribution Expenses		
Advertisement & Sales Promotion	25,652,919	34,924,163
Commission Charges	190,474	126,819
Transportation Charges	41,205,855	36,136,884
Packing Materials & Expenses	33,862,993	34,705,854
	100,912,241	105,893,720
Total of other expenses	352,956,552	365,536,564

Payment to Auditors

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Audit Fee	957,307	842,700
Other Matters	-	-
Out of Pocket Expenses	-	-
Total of other expenses	957,307	842,700

28. Depreciation and Amortization Expenses

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Depreciation of tangible assets	19,491,794	33,166,482
Amortization of Intangible assets	1,387,147	1,652,417
	20,878,941	34,818,899

29. Finance Cost

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Interest on Term Loans	80,231,875	68,191,218
Interest on Unsecured Loans	15,914,113	11,046,933
Interest on Working Capital Loans	1,343,051	1,307,967
Total	97,489,039	80,546,118

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30. Earnings Per Share

The following reflects the profit / (loss) and share data used in the basic and diluted EPS computation

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Total Operations for the year		
Profit/(loss) after tax	97,542,967	(45,071,649)
Net Profit/(loss) for calculation of the basic EPS	<u>97,542,967</u>	<u>(45,071,649)</u>
Net Profit/(loss)	97,542,967	(45,071,649)
Net Profit/(loss) before Extra-ordinary items	97,343,135	(43,338,264)
Weighted average number of equity shares in calculating EPS	23,577,749	22,398,869
Share Warrant converted into equity	1,178,880	-
Convertible Share Warrant pending for conversion	2,773,840	-
Basic EPS after Extra-ordinary Items	4.14	(2.01)
Basic EPS before Extra-ordinary Items	4.13	(1.94)
Diluted EPS after Extra-ordinary Items	3.70	(2.01)
Diluted EPS before Extra-ordinary Items	3.69	(1.94)

31. Employee benefits

a) Defined contribution plans

The Company's employee provident fund scheme are defined contribution plan amounting to Rs.11,576,193/- (previous year Rs. 9,046,788/-) towards employee provident fund has been recognized as an expense in relation to the scheme and is included in employee benefits in the Statement of Profit and Loss.

b) Defined benefit plans

(i) General description of defined benefit plan:

Gratuity plan

The Company operates a gratuity plan wherein every employee is entitled to a benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vests after five years of continuous service. Gratuity benefits valued were in accordance with the payment of Gratuity Act, 1972.

(ii) The changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31-Mar-2015	31-Mar-2014
Present value of obligation as at the beginning of the year	1,599,599	709,022
Interest cost	145,564	57,431
Current service cost	1,456,097	924,440
Benefits paid	(29,770)	(250,606)
Actuarial (gain)/ loss on obligation	305,952	159,312
Present value of obligation as at the end of year	3,477,442	1,599,599

(iii) The amounts recognised in Balance Sheet are as follows:

Particulars	31 March 2015	31 March 2014
Present value of obligation as at the end of the year	3,477,442	1,599,599
Less: Fair value of plan assets as at the end of the year	-	-
Net liability recognized in Balance Sheet*	3,477,442	1,599,599

* The liability in respect of gratuity has been classified into non-current portion Rs. 3,417,548/- (previous year Rs.1,594,453) and current portion Rs. 59,894/- (previous year Rs.5,146/-).

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(iv) The amounts recognised in Statement of Profit and Loss are as follows:

Particulars	31-Mar-2015	31-Mar-2014
Current service cost	1,456,097	924,440
Interest cost	145,564	57,431
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the year	305,952	159,312
Expenses recognized in the Statement of Profit and Loss	1,907,613	1,141,183

(v) Principal actuarial assumptions at the Balance Sheet date are as follows:

Particulars	31 March 2015	31 March 2014
Discount rate	7.80% p.a.	9.10% p.a.
Salary growth rate	10% p.a.	10% p.a.

Particulars	31 March 2015	31 March 2013
Retirement age	58 years	58 years
Mortality	IAL 2006-08	IAL 2006-08

(vi) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the prevailing market yield of government bonds as at the Balance Sheet date for the estimated term of the obligation and the estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

(vii) Experience on actuarial gain/ (loss) for Projected benefit obligation and plan assets:

Particulars	31 March 2015	31 March 2014	31 March 2013
Present value of obligation as at the end of year	34,77,442	15,99,599	7,09,022
Fair value of plan assets	-	-	-
Net liability recognised in Balance Sheet	34,77,442	15,99,599	7,09,022

c) Other long term benefit (Compensated absences)

The Company operates compensated absences plan, where in every employee is entitled to the benefit equivalent to 15 days leave salary for every completed year of service. The salary for calculation of earned leave is last drawn basic salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

An actuarial valuation of compensated absences has been carried out by an independent actuary on the basis of the following assumptions:

(i) The changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31 March 2015	31 March 2014	31 March 2013
Present value of obligation as at the beginning of the year	1,602,462	906,033	-
Net liability recognised in Balance Sheet	34,77,442	15,99,599	7,09,022

32. Leases

The company has taken premises for showroom for 12 years lease/license period with lock in period of one to three year. The escalation clause is variable between 12% to 15% after every three years and the company generally takes three month rent free time from the date of possession given by the landlord.

Obligations on long term, non-cancellable operating leases.

The lease rentals charged during the year and maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective agreements.

Particular	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
A). Lease Rentals recognized during the year in Profit & Loss Account*	14,14,87,923	15,17,81,693
Obligations		
Within one year of the balance sheet date	14,26,01,348	9,59,78,850
Due in a period between one year and five years	65,55,56,510	41,16,48,944
Due after five years (as lease are cancelable by the Company after three to five years)	-	-

* Lease Rental recognized during the year includes Lease Rent Equalisation Reserve of Rs. 2,07,72,482/- P.Y. Rs. 4,39,65,684/-.

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33. Related Party Disclosures:

The Disclosures are required by the Accounting Standard - 18 (Related Party Disclosure) are given below:

1. Names of related parties and related party relationship with whom transaction have

(a)	Company in which Key Management Personnels or their relatives have control/ significant influence	Unicon Marketing P. Ltd. Ricon Commodities P. Ltd. Vishal Water World P. Ltd. V2 Conglomerate Ltd.
(b)	Key managerial personnel	Mr. Ram Chandra Agarwal (Director) Mrs. Uma Agarwal (Director) Mr. Akash Agarwal (Son of Director) Mr. Mansu Tandon (CEO) Mr. Varun Kumar Singh (CFO) Mr. Yatish Bhardwaj (CS)
(i)	Directors	
(ii)	Relative of key managerial personnel	
(iii)	Other	

Summary of transactions with related party:

Particulars	Enterprises in directors of		Key managerial personnel the company are directors		Relative of key managerial personnel	
	31-03-2015	31-03-2014	31-03-2015	31-03-2014	31-03-2015	31-03-2014
1. Loans Repaid/ (Refunded)						
Ram Chandra Agarwal	-	-	37,966,647	5,300,000	-	-
Mrs. Uma Agarwal	-	-	670,000	-	-	-
Ricon Commodities Pvt. Ltd.	153,063,874	-				
Vishal Water World Pvt Ltd.	120,000,000	232,680	-	-	-	-
V2 Conglomerate Ltd.	157,641,881	181,126,402	-	-	-	-
VRL Retail Ventures Ltd.	-	-	-	-	-	-
2. Loans Accepted						
Mr. Ram Chandra Agarwal	-	-	-	-	-	-
Mrs. Uma Agarwal	-	-	-	-	-	-
Ricon Commodities Pvt. Ltd.	121,800,000	42,663,874	-	-	-	-
VRL Movers Limited	-	-	-	-	-	-
Vishal Water World Pvt Ltd.	20,000,000	-	-	-	-	-
VRL Infrastructure Ltd.	-	-	-	-	-	-
V2 Conglomerate Ltd.	156,863,847	162,730,251	-	-	-	-
3. Remuneration						
Akash Agarwal	-	-	-	-	900,000	454,653
Mansu Tandon			1,176,626	-		
Varun Kumar Singh			764,100			
Yatish Bhardwaj			4,80,000			
4. Purchases during the year						
V2 Conglomerate Ltd.	27,810,866	86,203,372	-	-	-	-
5. Payment made						
V2 Conglomerate Ltd.	55,956,541	59,000,553	-	-	-	-
6. Amount Receivable						
VRL Retail Ventures Ltd.						
7. Amount Payable						
V2 Conglomerate Ltd.	(636,573)	27,509,102	-	-	-	-
8. Loan Payable						
Mr. Ram Chandra Agarwal	-	-	805,860	38,772,507	-	-
Mrs. Uma Agarwal	-	-	417,576	1,087,576	-	-
Vishal Water World Pvt Ltd.	-	100,000,000	-	-	-	-
V2 Conglomerate Ltd. (Loan A/c)	-	778,034	-	-	-	-
Ricon Commodities Pvt. Ltd.	11,400,000	42,663,874	-	-	-	-
VRL Infrastructure Ltd.	-	-	-	-	-	-
VRL Movers Limited	-	-	-	-	-	-

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(i)

Particular	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Interest cost	145,824	73,389
Current service cost	1,232,305	10,68,601
Benefits paid	(335,879)	(213,038)
Actuarial (gain)/ loss on obligation	(288,487)	(232,523)
Present value of obligation as at the end of year	23,56,225	1,602,462

(ii) The amounts recognised in Balance Sheet are as follows:

Particulars	31 March 2015	31 March 2014
Present value of obligation as at the end of the year	2,356,225	1,602,462
Less: Fair value of plan assets as at the end of the year	-	-
Net liability recognized in Balance Sheet*	2,356,225	1,602,462

* The liability in respect of gratuity has been classified into non-current portion Rs. 1,462,633/- (previous year Rs.983,647/-) and current portion Rs. 893,592/- (previous year Rs. 618,815/-).

(iii) The amounts recognised in Statement of Profit and Loss are as follows:

Particulars	31 March 2015	31 March 2014
Current service cost	1,232,305	1,068,601
Interest cost	145,824	73,389
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the year	(288,487)	(232,523)
Expenses recognized in the Statement of Profit and Loss	1,089,642	909,467

(iv) Principal actuarial assumptions at the Balance Sheet date are as follows:

Particulars	31 March 2015	31 March 2014
Discount rate	7.80% p.a.	9.10% p.a.
Salary growth rate	10% p.a.	10% p.a.

Particulars	31 March 2015	31 March 2013
Retirement age	58 years	58 years
Mortality	IAL	IAL
	2006-08	2006-08

(v) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the prevailing market yield of government bonds as at the Balance Sheet date for the estimated term of the obligation and the estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

(vi) Experience on actuarial gain/ (loss) for Projected benefit obligation and plan assets:

Particulars	31 March 2015	31 March 2014	31 March 2013
Present value of obligation as at the end of year	34,77,442	15,99,599	7,09,022
Fair value of plan assets	-	-	-

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34. Expenditure in Foreign Currency (on accrual basis)

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Traveling Expenses	215,092	41,517
Total	215,092	41,517

35. Prior Period Items

Items of prior period debited to the statement of the Profit & Loss are as under:

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Expenses		
Cost of goods sold	-	186,460
Marketing	-	20,000
Professional charges	-	745,758
Legal charges	-	75,000
Misc. Balances written off	-	80,564
Repair to building	-	99,404
Transportation charges	-	181,719
Travelling expenses	-	315,922
Telephone expenses	-	28,558
Total expenses in	-	12,195,548
Income		
Bank charges	-	14,332
Misc. Incomes	199,832	-
Interest on investment	-	162,110
Total incomes	199,832	176,442
Net Prior Period Expenses / (Incomes)	199,832	12,019,106

36. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of accounts (net of advances):

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Capital commitments towards new showrooms for which the agreement/MOU has been entered into with the landlord of the relevant showroom	6,000,000	1,906,417

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

In terms of notification no. G.S.R. 719(E) dated November 16, 2007 issued by the Central Government of India, the disclosure of payments due to any supplier as at March 31, 2011 are as follows:

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
Balance of Sundry Creditors		
- Principal amount due to Micro, Small and Medium Enterprises	-	-
- Principal amount due to Others	-	-
Total	-	-
Interest accrued and due at the end of the year		
- Interest on payments due to Micro, Small and Medium Enterprises	-	-
- Interest on payments due to others	-	-
- Interest due and payable on amounts paid during the year to Micro, Small and Medium Enterprises beyond the appointed date	-	-
Total	-	-
Paid during the year		
Principal amount (including interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-	-
- Principal amount	-	-
- Interest thereon	-	-
Principal amount (excluding interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-	-
Others		
- Interest accrued in the prior year and paid during the year	-	-
- Interest accrued during the year and paid during the year	-	-

Note:- The Company has already initiated the process of identification of Micro, Small & Medium Enterprises suppliers and service providers, In view of large number of suppliers and non receipt of critical inputs, responses from several such potential parties, the liability of interest, if any cannot be reliably estimated. Hence the required disclosure has not been made.

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

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38. Contingent Liabilities

Particulars	As at 31-Mar-2015 (Rs.)	As at 31-Mar-2014 (Rs.)
a. Outstanding Bank Guarantees	4,652,797	4,652,797
b. Disputed Sales Tax Demands - matter under appeal	291,007,117	291,007,117
c. Claims against the Company not acknowledged as debts	181,771,441	181,771,441
d. Claims by Income Tax Department	1,188,071,650	1,188,071,650
e. Claims by Service Tax Department	30,208,391	30,208,391
Total	1,695,711,396	1,695,711,396

The Company has made provision in the books of account in the current year with respect to amount payable to Labour Welfare Fund. The Liability on account of the same was not provided for in the earlier years and the same cannot be ascertained, which in the view of the management is not likely to be material.

39. Details of Interest in Joint Ventures :

The Company's share of Assets, Liabilities, Income & Expenses of jointly controlled entity are as follows:

Name of the Company	Description of Interest	Country of Incorporation	Percentage Interest as at 31.03.12	Percentage Interest as at 31.03.11
VRL Retailer Business Solutions Pvt. Ltd.	Equity	India	5.00%	5.00%
		As at 31.03.2015	As at 31.03.2014	
Name of the Company	Assets (Rs.)	Liability (Rs.)	Assets (Rs.)	Liability (Rs.)
VRL Retailer Business Solutions Pvt. Ltd	-	-	-	-
		For the year ended 31.03.2015	For the year ended 31.03.2014	
Name of the Company	Income (Rs.)	Expenditure (Rs.)	Income (Rs.)	Expenditure (Rs.)
VRL Retailer Business Solutions Pvt. Ltd	-	-	-	-

There are no contingent liabilities in respect of the Joint Venture. The above figures are based on latest available unaudited accounts, drawn on the respective dates as certified by the management.

40. Previous year figures have been regrouped or rearranged wherever considered necessary to make them comparable with current year figures.

As per our report of even date
For **AKGVG & Associates**
Firm Registration no :018598N
Chartered Accountants

Sd-
Vimal Kumar Saini
Partner
Membership No: 515915

Place: New Delhi
Date: 29th May, 2015

For and on behalf of the Board of Directors of **V2 Retail Limited**

Sd-
Ram Chandra Agarwal
Managing Director
DIN 00491885

Sd-
Varun Kumar Singh
Chief Financial Officer

Sd-
Uma Agarwal
Director
DIN 00495945

Sd-
Yatish Bhardwaj
Company Secretary

V2 RETAIL LIMITED - ANNUAL REPORT 2015

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	VRL MOVERS LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	SAME AS V2 RETAIL LIMITED
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital	3,000,000
5.	Reserves & surplus	(7,867,158)
6.	Total assets	1,364,973
7.	Total Liabilities	6,232,131
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	(9,494)
11.	Provision for taxation	-
12.	Profit after taxation	(9,494)
13.	Proposed Dividend	-
14.	% of shareholding	50.00%

Subsidiaries closed during the year

Sr. No.	Name
1	VRL RETAIL VENTURES LIMITED
2	VRL INFRASTRUCTURE LIMITED

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Particulars	Details
1.	Latest audited Balance Sheet Date	31st March, 2015
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	5628
	Amount of Investment in Associates/Joint Venture	56280
	Extend of Holding %	5.00%
3.	Description of how there is significant influence	No Influence is there
4.	Reason why the associate/joint venture is not consolidated	
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	0
6.	Profit / Loss for the year	0
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	0

Note:



V2 RETAIL LIMITED

Reg. Office: Plot No.8, Pocket-2, Block-A, Khasra No. 335/336, Rangpuri Extension, NH-8, Delhi-110037,
CIN: L74999DL2001PLC147724, Ph: 011-32316262, E-mail: cs@vrl.net.in, website: www.v2retail.com

Folio/DPID/Client ID No.	
No. of shares Held	

ATTENDANCE SLIP

I hereby record my presence at the 14th Annual General Meeting of the Company at the Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038 on Wednesday, September 30, 2015, at 10.00 A.M.

NAME OF SHAREHOLDER(S) (in Block Letters)	
SIGNATURE OF THE SHAREHOLDER(S)	
NAME OF THE PROXY (in Block Letters)	
SIGNATURE OF THE PROXY	

Note: You are requested to sign and handover this slip at the entrance of the meeting venue.

PROXY FORM Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L74999DL2001PLC147724
Name of the company:	V2 RETAIL LIMITED
Registered office :	Plot No.8, Pocket-2, Block-A, Khasra No. 335/336, Rangpuri Extension, NH-8, Delhi-110037
Name of the member(s):	
Registered Address:	
E-mail Id:	
Folio/DPID/Client ID No.	

I/We, being the member (s) ofshares of the V2 Retail Ltd hereby appoint:

- Name : _____
Address : _____
E-Mail : _____
Signature : _____ or failing him/her.
- Name : _____
Address : _____
E-Mail : _____
Signature : _____ or failing him/her.
- Name : _____
Address : _____
E-Mail : _____
Signature : _____ or failing him/her.

as my/ our proxy to attend and vote (on a poll) for me /us and on my /our behalf at the 14th Annual General Meeting of the Company to be held on Wednesday, September 30, 2015, at 10.00 A.M., at Khasra No. 1138, Shani Bazar Chowk, Rajokari, New Delhi 110038 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of the Resolutions	For	Against
Ordinary Business			
1	Adoption of financial statements for the financial year ended March 31, 2015 and reports of Board of Directors' and Auditors' thereon.		
2	To appoint a director in place of Mrs. Uma Agarwal (DIN: 00495945), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for reappointment.		
3	To appoint the Auditor of the company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution for appointment and fixation of the remuneration for the Statutory Auditors from the conclusion of this AGM until next AGM		
Special Business			
4	To ratify the allotment of Convertible Warrant to BCCL on preferential allotment basis.		
5	Resolution for payment of remuneration to Mr. RamChandra Agarwal (DIN: 00491885), as Managing Director of the company		
6	Resolution for payment of remuneration to Mrs. Uma Agarwal (DIN: 00495945), as Whole-Time Director of the company.		

Signed this..... day of..... 2015

Signature of Shareholder: _____

Signature of Proxy holder(s): _____

Notes: This form of Proxy in order to be effective, should be duly stamped, completed, signed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.

Affix
revenue
stamp of
not less
than
Rs 0.15



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V2 RETAIL LIMITED

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