V-MART RETAIL LIMITED

Registered Office: 610-611, Guru Ram Dass Nagar, Main Market, opposite SBI Bank, Laxmi Nagar, New Delhi 110 092, India
Corporate Office: Plot No. 862, Udyog Vihar, Industrial Area, Phase V, Gurgaon 122 016, Haryana, India
Telephone: +91 124 464 0030 | **Email:** info@vmartretail.com | **Website**: www.vmartretail.com | **CIN**: L51909DL2002PLC163727

Our Company was incorporated as '*Varin Commercial Private Limited*' on July 24, 2002, as a company with limited liability under the Companies Act, 1956, with the Registrar of Companies, West Bengal. Our name was subsequently changed to '*V-Mart Retail Private Limited*' and a fresh certificate of incorporation consequent upon such change of name dated July 11, 2006 was issued to our Company by the Registrar of Companies, West Bengal. Our Company was converted to a public limited company pursuant to a special resolution passed by our Shareholders on May 16, 2008 and a fresh certificate of incorporation dated July 11, 2008 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana (the "**RoC**"). Consequently, the name of our Company was changed to '*V-Mart Retail Limited*'. For further details, please see the section entitled "*General Information*" on page 252.

Issue of 15,30,612 equity shares of face value of ₹ 10 each of our Company (the "**Equity Shares**") at a price of ₹ 2,450 per Equity Share (the "**Issue Price**"), including a premium of ₹ 2,440 per Equity Share, aggregating up to ₹ 37,499.99 lakh (the "**Issue**"). For details, please see the section entitled "*Summary of the Issue*" on page 33.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER.

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the Equity Shares on BSE and NSE as on February 1, 2021 was ₹ 2,457.35 and ₹ 2,469.35 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE on January 28, 2021. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS (AS DEFINED HEREINAFTER) IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND THE RULES PRESCRIBED THEREUNDER. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE COMPANIES ACT, 2013, AS AMENDED, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 45 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

A copy of the Preliminary Placement Document, which includes disclosures prescribed under Form PAS-4 (as defined hereinafter), has been delivered to the Stock Exchanges. A copy of this Placement Document (which shall also include disclosures prescribed under Form PAS-4) has been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013, as amended and the PAS Rules. This Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority, and is intended only for use by Eligible QIBs. This Placement Document has not been and shall not be registered as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and the Issue shall not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to the Preliminary Placement Document, together with the Application Form (as defined hereinafter), this Placement Document and the Confirmation of Allocation Note (as defined hereinafter). For further details, please see the section entitled "*Issue Procedure*" on page 198. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent to any person other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 214. See "*Transfer Restrictions and Purchaser Representations*" on page 223 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on the websites of our Company, any website directly or indirectly linked to our websites or on the respective websites of the Book Running Lead Manager (as defined hereinafter) or of their respective affiliates, does not form part of this Placement Document, and prospective investors should not rely on any such information contained in or available through any such websites for their investment in this Issue.

This Placement Document is dated February 2, 2021.

BOOK RUNNING LEAD MANAGER

Kotak Mahindra Capital Company Limited

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company and the Equity Shares which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company and the Equity Shares are in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Company nor the Book Running Lead Manager has any obligation to update such information to a later date.

The information contained in this Placement Document has been provided by our Company and other sources identified herein. The BRLM and their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates do not make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLM and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in the Preliminary Placement Document or this Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company and the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on either the BRLM or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the Book Running Lead Manager. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by the securities authority or other regulatory authority of any jurisdiction. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in certain jurisdictions.

Subscribers and purchasers of the Equity Shares offered in the Issue will be deemed to make the representations, warranties, acknowledgements and agreements set forth in "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 5, 214 and 223, respectively, of this Placement Document.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person other than Eligible QIBs specified by the Book Running Lead Manager or their representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Any reproduction or redistribution of this Placement or any disclosure of its contents to any person in the United States is prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action has been or will be taken by our Company or the Book Running Lead Manager which would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India or Malaysia, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of the Preliminary Placement Document or this Placement Document, or any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in reliance on Regulations S. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, please see the section entitled "*Selling Restrictions*" on page 214.

In making an investment decision, the prospective investors must rely on their own examination of our Company and the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Manager are making any representation to any investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules and that it is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in the securities including the Equity Shares or otherwise accessing the capital markets in India. Each investor, purchaser, offeree, or subscriber in the Issue also acknowledges that it has been afforded an opportunity to request from us and review information relating to us and the Equity Shares.

This Placement Document contains summaries of certain terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

The information on the website of our Company - www.vmart.co.in, any website directly or indirectly linked to the website of our Company or on the respective websites of the Book Running Lead Manager and of its affiliates, does not constitute nor form part of the Preliminary Placement Document or this Placement Document. The prospective investors should not rely on any such information contained in, or available through, any such websites.

Information to Distributors (as defined below) in the European Economic Area and the United Kingdom

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the MiFID II Product Governance Requirements) ("**Distributors**") should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the Bidders in the Issue. By Bidding and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged, undertaken and agreed to our Company and the Book Running Lead Manager as follows:

1. You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

2. That you are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

3. If you are not a resident of India, but are an Eligible QIB, you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, and can participate in the Issue only under Schedule II of FEMA Rules. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities. Since FVCIs are not permitted to participate in the Issue, you confirm that you are not a FVCI.

4. You are aware that in terms of the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, the total holding by each FPI including its investor group (which means common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by the Company and the investor with applicable reporting requirements;

5. You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

6. You agree that our Company shall make necessary filings with the RoC (which shall include certain details such as your name, address and number of Eligible Securities Allotted), in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, or other provisions of the Companies Act, and you consent to such disclosure being made by us. You will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details, and such other details as may be prescribed or otherwise required even after the closure of the Issue;

7. You will make all the necessary filings with appropriate regulatory authorities, as required pursuant to applicable laws;

8. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. For more information, please see the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on page 214 and 223, respectively;

9. You are aware that neither the Preliminary Placement Document nor this Placement Document have been, or will be, registered as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document have not been and will not be reviewed, verified or affirmed by SEBI, the RBI, the Stock Exchanges, RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges and have been displayed on the websites of our Company and the Stock Exchanges;

10. You are entitled to and have the necessary capacity to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have the necessary capacity and have obtained all necessary consents and authorisations, as may be required and complied and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in the Preliminary Placement Document and this Placement Document), and will honour such obligations;

11. Neither our Company, the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or other affiliates are making any recommendations to you or advising you regarding the suitability of any transactions they may enter into in connection with the Issue, and your participation in the Issue is on the basis that you are not and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Manager. Neither the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or other affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity in relation to you;

12. All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. None of our Company, the Book Running Lead Manager or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or other affiliates assumes any responsibility to update any of the forward-looking statements contained in this Placement Document;

13. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Manager;

14. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments, agreements and undertakings as set out in this section and under the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 214 and 223, respectively and you warrant that you will comply with such representations, warranties, acknowledgments, agreements and undertakings;

15. You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document, and have read it in its entirety, including in particular the section entitled "*Risk Factors*" on page 45;

16. In making your investment decision, you have (i) relied on your own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company and the Equity Shares and the terms of the Issue based solely on the information in the Preliminary Placement Document and this Placement Document and no other representation by us or any other party, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning without limitation, the effects of local laws (including tax laws), (iv) relied solely on the information contained in the Preliminary Placement Document and no other disclosure or representation by our Company or the Book Running Lead Manager or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

17. Neither the Book Running Lead Manager nor any of their respective shareholders, investors, directors, officers, employees, counsels, representatives, agents or other affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including, but not limited to, the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or any of its respective shareholders, investors, directors, officers, employees, counsels, representatives, agents or other affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against us, either of the Book Running Lead Manager or any of its respective shareholders, investors, directors, officers, employees, counsels, representatives, agents or other affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

18. You are a sophisticated investor, and you and any managed accounts for which you are subscribing for the Equity Shares: (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or other affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

19. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account, and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

20. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations), and are not a person related to our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoter or Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

21. You have no rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which, shall not deem you to be a Promoter or a person related to our Promoters;

22. You have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined herein);

23. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

24. The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined herein) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

25. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIBs participating in the Issue that belong to the same group or that are under common control with you, pursuant to the Allotment under the Issue, shall not exceed 50% of the Issue Size. For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other QIB; and

    b. 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations (as defined herein);

26. You are aware that (i) applications for in-principle approval in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and such in-principle approval has been received by the Company from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges only after Allotment, and that there can be no assurance that such approvals will be obtained on time or at all. Neither, our Company nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or other affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

27. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

28. You are aware that in terms of the requirements of the Companies Act, 2013, as amended, upon Allocation, our Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;

29. You acknowledge that the Preliminary Placement Document did not, and this Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

30. You are aware the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges, and that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by our Company;

31. You are aware and understand that the Book Running Lead Manager has entered into a placement

agreement with our Company, whereby the Book Running Lead Manager has, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

32. The contents of the Preliminary Placement Document and this Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Manager nor any person acting on its behalf, nor any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents and other affiliates or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in the Preliminary Placement Document or this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in the Preliminary Placement Document or this Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Manager or our Company or any other person, and neither the Book Running Lead Manager nor our Company or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents and other affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, and the Book Running Lead Manager and their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents and other affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

33. Neither the Book Running Lead Manager nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

34. You acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

35. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013, as amended;

36. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue; or (ii) if you have participated in or attended any Company presentations: (a) you understand and acknowledge that the Book Running Lead Manager may not have knowledge of the statements that our Company or its agents may have made at such Company presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and accordingly, you acknowledge that Book Running Lead Manager has advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

37. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Delhi, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement

Document and this Placement Document;

38. You understand that the Equity Shares issued pursuant to the Issue will, be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

39. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

40. You represent that you are not an affiliate of our Company or the Book Running Lead Manager or a person acting on behalf of such affiliate;

41. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Manager;

42. Our Company, the Book Running Lead Manager, their respective affiliates, directors, officers, employees and persons in control and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements, agreements and undertakings, which are given to the Book Running Lead Manager on their own behalf and on behalf of our Company, and are irrevocable. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. It is agreed that if any such representations, warranties, acknowledgements, agreements and undertakings are no longer accurate, you will promptly notify our Company and the Book Running Lead Manager; and

43. You agree to indemnify and hold our Company and the Book Running Lead Manager and their respective affiliates and their respective directors, officers, employees and persons in control harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in the Preliminary Placement Document and this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**SEBI FPI Regulations**"), FPIs, including the affiliates of the Book Running Lead Manager, who are registered as a Category I FPI can issue and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, such P-Notes may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations, post compliance with the KYC norms and such other conditions as specified by SEBI from time to time. P-Notes have not been, and are not being offered, or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above mentioned restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Notes investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Respective affiliates of the Book Running Lead Manager which are Eligible FPIs may purchase the Equity Shares in the Issue, and may issue P-Notes in respect thereof, in each case to the extent permitted by applicable law. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Please also see the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on page 214 and 223, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document or this Placement Document;

(2) warrant that the Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that the Preliminary Placement Document or this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to the 'Company', 'we', 'us', 'our' or the 'Issuer' are to V-Mart Retail Limited.

In this Placement Document, references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India, and to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States. All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or the 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

References to the singular also refer to the plural, and references to one gender also refer to any other gender, wherever applicable.

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', 'Fiscal Year', 'fiscal' or 'FY' are to the twelve month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year. The financial information disclosed for the period ended December 31, 2020 is for a nine month period, and accordingly, is not comparable with financial information for the relevant financial years.

Our Company publishes its financial statements in Indian Rupees in lakhs. As required under applicable regulations, and for the convenience of prospective investors, we have included the following in this Placement Document:

- audited financial statements of our Company as at and for the financial years ended March 31, 2018, March 31, 2019 and March 31, 2020, prepared in accordance with the Ind AS, as notified by MCA pursuant to Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**IAS Rules**"), and other relevant provisions of the Companies Act (collectively, the "**Audited Financial Statements**"); and

- unaudited condensed interim financial statements of our Company for the nine months ended December 31, 2020 prepared in accordance with the Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Companies Act (the "**Unaudited Condensed Interim Financial Statements**").

The audited financial statements for Fiscal 2018 have been audited by the Previous Statutory Auditor, Walker Chandiok & Co LLP, Chartered Accountants, on which they have issued an audit report dated May 24, 2018. Our Statutory Auditors, M/s S. R. Batliboi & Co. LLP, Chartered Accountants, have audited our financial statements for Fiscals 2020 and 2019, and have issued audit reports dated May 29, 2020 and May 10, 2019, respectively, on such financial statements.

The Unaudited Condensed Interim Financial Statements have been subjected to review by our Statutory Auditors and they have issued their report dated January 28, 2021, based on their review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the Institute of Chartered Accountants of India ("**ICAI**"). The Audited Financial Statements should be read along with the respective audit reports, and the Unaudited Condensed Interim Financial Statements should be read along with the review report issued thereon. Further, our Unaudited Condensed Interim Financial Statements are not necessarily indicative of results that may be expected for the full financial year or any future reporting period.

Our Company prepares its annual financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards

("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its audited financial statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Financial Statements and the Unaudited Condensed Interim Financial Statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. Please see "*Risk Factors – Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Placement Document*" on page 66.

Unless otherwise stated or unless the context requires otherwise, the financial information contained in this Placement Document is derived from the Audited Financial Statements and Unaudited Condensed Interim Financial Statements, except that financial information with respect to the nine months ended December 31, 2019 are derived from the comparatives presented in the Unaudited Condensed Interim Financial Statements as at and for nine months ended December 31, 2020. For details, please see the section entitled "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 254 and 83, respectively.

Figures in this Placement Document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh unless stated otherwise. Further, certain figures in the "*Industry Overview*" section of this Placement Document have been presented in million or billion. Our Audited Financial Statements and the Unaudited Condensed Interim Financial Statements are prepared in lakhs and have been presented in this Placement Document in lakhs for presentation purposes.

In this Placement Document, references to "lakh" represents "100,000" and "crore" represents "10,000,000".

Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Non-GAAP financial measures

Certain non-GAAP measures like EBITDA, EBITDA margin, ROE and ROCE, ("**Non-GAAP Measures**") presented in this Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance or liquidity. See "*Risk Factors – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA and EBITDA margin have been included in this Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.*" on page 64.

INDUSTRY AND MARKET DATA

The statistical information, industry, market and economic data, information regarding our position in the market, growth rates and other industry data pertaining to our business included in this Placement Document has been derived from Technopak's report titled "*Report on Indian apparel industry"* dated January 28, 2021 (the "**Technopak Report**"), which was prepared by Technopak pursuant to an engagement with our Company.Technopak is not in any manner related to our Company, our Directors or our Promoters. The Technopak Report is not exhaustive, is subject to various limitations and is based upon certain assumptions that are subjective in nature. While our Company has taken reasonable care in the reproduction of the information from the Technopak Report, none of our Company, the Book Running Lead Manager, any of our Company's or the Book Running Lead Manager's respective affiliates or advisors or any other person connected with the Issue has independently verified data and statistics obtained from the Technopak Report. While our Company has no reason to believe the data and statistics in the Technopak Report is incorrect, our Company cannot assure you that it is accurate, complete or reliable and, therefore, our Company makes no representation or warranty, express or implied, as to the accuracy, completeness or reliability of such data or statistics. Therefore, discussions of matters relating to India, its economy and the industry in which we currently operate are subject to the caveat that data and statistics upon which such discussions are based may be inaccurate, incomplete or unreliable. Further, there can be no assurance that such data and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case in other reports. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document.

Technopak's Disclaimer Clause

The Technopak Report is subject to the disclaimer set forth below:

- *"This information package is distributed by Technopak Advisors Private Limited (hereinafter "Technopak") on a specific request by the client*
- *Only leading players are profiled and benchmarked for the purpose of the report and does not necessarily cover all types of players.*
- *The information contained herein is of a general nature and is not intended to address the facts and figures of any particular individual or entity. The content provided here treats the subjects covered here in condensed form. It is intended to provide a general guide to the subject matter and should not be relied on as a basis for business decisions. No one should act upon such information without taking appropriate additional professional advice and/or thorough examination of the particular situation. This information package is distributed by Technopak upon the express understanding that no information herein contained has been independently verified. Further, no representation or warranty (expressed or implied) is made nor is any responsibility of any kind accepted with respect to the completeness or accuracy of any information as maybe contained herein. Also, no representation or warranty (expressed or implied) is made that such information remains unchanged in any respect as of any date or dates after those stated here in with respect to any matter concerning any statement made in this Information package. Technopak and its directors , employees, agents and consultants shall have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (expressed or implied) arising out of, contained in or derived from, or of any omissions from the information package and any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this information package and/or further communication in relation to this information package.*
- *All recipients of the information package should make their own independent evaluations and should conduct their own investigation and analysis and should check the accuracy, reliability and completeness of the information and obtain independent and specified advice from appropriate professional adviser, as they deem necessary.*"

The extent to which the market and industry data used in this Placement Document is meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – We are not able to guarantee the accuracy of third party information included in this Placement Document including from the industry report commissioned by us."* on page 63. Thus, neither our Company nor the Book Running Lead Manager can assure you of the correctness, accuracy and completeness of such data. Accordingly, investment decisions should not be based solely on such information.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'goal', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'seek to', 'should', 'will', 'will continue', 'will pursue', 'would', 'will achieve' 'will likely result', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- The outbreak of the COVID-19 has had, and is expected to continue to have, a significant effect on our operations, and could negatively impact our business, revenues, financial condition and results of operations. The current, and uncertain future, impact of the COVID-19 pandemic, including its effect on the ability or desire of people to visit our stores, is expected to continue to impact our operations and cash flows.

- The fashion and retail industry is highly competitive and is very fragmented. If we do not respond to competition effectively, our cash flows, financial condition and results of operation may be adversely affected.

- Our business depends on our ability to obtain and retain quality retail spaces.

- The success of our business is dependent on an agile and efficient supply chain management.

- If we are unable to anticipate and respond to changes in fashion trends and changing customer preferences in a timely and effective manner, the demand for our products may decline, which may have an adverse effect on our business, results of operations and prospects.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections entitled "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 45, 135, 167 and 83, respectively.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure the prospective investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and our Company or the Book Running Lead Manager undertake no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Except for Aakash Moondhra, all the Directors and Senior Management Personnel named herein are residents of India, and all of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction

(b) where the judgment has not been given on the merits of the case

(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable

(d) where the proceedings in which the judgment was obtained were opposed to natural justice

(e) where the judgment has been obtained by fraud; and

(f) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction.

Each of the United Kingdom, Singapore, United Arab Emirates and Hong Kong, amongst others, has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per USD). The exchange rates are based on the reference rates released by the RBI and Financial Benchmarks India Limited ("**FBIL**"), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On February 1, 2021, the exchange rate was ₹ 73.02 to USD 1. (*Source: fbil.org.in*)

(₹ per USD)

	Period end[(1)]	**Average**[(2)]	**High**[(3)]	**Low**[(4)]
Fiscal*				
2020	75.39	70.88	76.15	68.37
2019	69.17	69.30	74.39	64.93
2018	65.04	64.45	65.76	63.35
Month ended*				
January 31, 2021	72.95	73.11	73.45	72.82
December 31, 2020	73.05	73.59	73.89	73.05
November 30, 2020	73.80	74.22	74.69	73.80
October 31, 2020	73.97	73.46	73.97	73.14
September 30, 2020	73.80	73.48	73.92	72.82
August 31, 2020	73.60	74.67	75.09	73.35

(Source: www.rbi.org.in and fbil.org.in)

(1) *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.*
(2) *Average of the official rate for each Working Day of the relevant period.*
(3) *Maximum of the official rate for each Working Day of the relevant period.*
(4) *Minimum of the official rate for each Working Day of the relevant period.*

Notes:

* *If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed. The RBI/ FBIL reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections entitled "Industry Overview", "Taxation", "Financial Information" and "Legal Proceedings" on pages 135, 232, 254 and 245, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
the Company / our Company / the Issuer / V-Mart	V-Mart Retail Limited, a public limited company incorporated under the Indian Companies, Act, 1882 and having its registered office at 610-611, Guru Ram Dass Nagar, Main Market, opposite SBI Bank, Laxmi Nagar, New Delhi 110 092, India.
Articles / Articles of Association	Articles of association of our Company, as amended from time to time
Audit Committee	Audit committee of our Company as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 184
Audited Financial Statements	Collectively, the audited financial statements of our Company as of and for the years ended March 31, 2020, 2019 and 2018 which have been prepared in accordance with the Ind AS, as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 to the extent applicable, each comprising of the balance sheet, statement of profit and loss, statement of cash flows, statement of changes in equity, read along with the notes thereto
Auditors / Statutory Auditors	The current statutory auditors of our Company, namely, M/s S. R. Batliboi & Co. LLP, Chartered Accountants
Board of Directors / Board / our Board	The board of directors of our Company or any duly constituted committee thereof
Chairman and Managing Director	Chairman of our Board and the managing director of our Company, namely, Lalit Agarwal
Corporate Office	The corporate office of our Company located at Plot No. 862, Udyog Vihar, Industrial Area, Phase V, Gurgaon 122 016, Haryana, India
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 184
Director(s)	The director(s) of our Company
Equity Share(s)	Equity share(s) of our Company having a face value of ₹ 10 each
Executive Director(s)	The executive Directors of our Company, being Lalit Agarwal and Madan Gopal Agarwal
Independent Director(s)	The non-executive, independent Directors of our Company appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, being Aakash Moondhra, Govind Shridhar Shrikhande, Murli Ramachandran and Sonal Mattoo
Investment Committee	The committee of our Board of Directors formed with respect to the Issue, pursuant to a resolution passed by our Board of Directors dated January 22, 2021
Memorandum of Association / MoA	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company as disclosed in "*Board of Directors and Senior Management*" on page 184
Previous Statutory Auditor	Our Company's previous statutory auditors, namely Walker Chandiok & Co LLP, Chartered Accountants, who have audited the financial statements of our Company for Fiscal 2018
Promoter(s)	The promoter(s) of our Company, namely Lalit Agarwal, Madan Gopal Agarwal, Hemant Agarwal, Lalit M. Agarwal (HUF), Hemant Agarwal (HUF), Madan Gopal Agarwal (HUF) and Conquest Business Service Private Limited

Term	Description
Promoter Group	The individuals and entities forming part of the promoter group of our Company as per the provisions of the SEBI ICDR Regulations
Registered Office	The registered office of our Company located at 610-611, Guru Ram Dass Nagar, Main Market, opposite SBI Bank, Laxmi Nagar, New Delhi 110 092, India
Risk Management Committee	Risk management committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 184
RoC / Registrar of Companies	Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi
Senior Management Personnel	Senior management personnel of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 184
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 184
Technopak	Technopak Advisors Private Limited
Technopak Report	Report titled "*Report on Indian apparel industry*" dated January 28, 2021 prepared by Technopak, which has been commissioned by our Company
Unaudited Condensed Interim Financial Statements	Unaudited condensed interim financial statements of our Company for the nine months ended December 31, 2020 prepared in accordance with the Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Companies Act comprising the interim condensed balance sheet as at December 31, 2020, and the related statements of profit and loss, comprehensive income, cash flows and changes in equity for the nine months ended December 31, 2020, and a summary of the significant accounting policies and other explanatory information
V-Mart ESOP Scheme 2012	V Mart Employee Stock Option Plan 2012, as amended
V-Mart ESOP Scheme 2020	V-Mart Retail Ltd. Employee Stock Option Plan 2020
Whole-time Director	A whole-time director of our Company, being Madan Gopal Agarwal

Issue Related Terms

Term	Description
Allocated / Allocation	Allocation of Equity Shares in connection with the Issue, in consultation with the Book Running Lead Manager, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
Allotment / Allotted / Allot	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIPs to whom Equity Shares of our Company are issued pursuant to the Issue
Application Form	The form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue during the Issue Period
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue, including any revisions thereof. An indicative format of such form is set forth in "*Sample Application Form*" beginning on page 259
Bid(s)	Indication of an Eligible QIB's interest including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bid Amount	The aggregate amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Bidder(s)	Any prospective investor, being an Eligible QIB, who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Book Running Lead Manager/ BRLM	Kotak Mahindra Capital Company Limited
CAN / Confirmation of Allocation Note	Note, advice or intimation confirming the Allocation of Equity Shares to successful Bidders confirming Allocation of Equity Shares to successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about February 3, 2021
Designated Date	The date of credit of Equity Shares to the Allottees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees
Eligible FPI(s)	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices.

Term	Description
Eligible QIBs	QIBs that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in "offshore transactions", as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Bank, in the name and style of "*V-Mart Retail Limited-QIP Escrow account*" subject to the terms of the Escrow Agreement, into which the Application Amount has been deposited by Eligible QIBs and refunds, if any, shall be remitted to unsuccessful Bidders
Escrow Bank	Axis Bank Limited
Escrow Agreement	Agreement dated January 28, 2021 entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Manager for collection of the Application Amount and remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	The floor price ₹ 2,432.84 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations.
Issue	The issuance, offer and allotment of 15,30,612 Equity Shares to Eligible QIBs, aggregating up to ₹ 37,499.99 lakh, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	February 2, 2021, the date after which our Company (or Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Issue Opening Date	January 28, 2021, the date on which our Company (or the Book Running Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs could submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ 2,450
Issue Size	Aggregating to approximately ₹ 37,499.99 lakh, comprising up to 15,30,612 Equity Shares
Placement Agreement	Placement agreement dated January 28, 2021 by and among our Company and the Book Running Lead Manager
Placement Document	This placement document dated February 2, 2021 issued by our Company, in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	The preliminary placement document cum application form, dated January 28, 2021, issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
QIB / Qualified Institutional Buyer	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013, read with the applicable rules of the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidders pursuant to the Issue
Relevant Date	January 28, 2021, which is the date of the meeting in which the Qualified Institutions Placement Committee decided to open the Issue
Successful Bidder(s)	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount and who will be Allocated Issue shares
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or a trading day of the Stock Exchanges, as applicable

Conventional and General Terms / Abbreviations

Term	Description
₹ / INR / Rupees / Indian Rupees / Rs.	Indian Rupees
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
Category I FPI(s)	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CGST	Central Goods and Services Tax
CIN	Corporate identity number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act, 1956	The erstwhile Companies Act, 1956, as amended and the rules made thereunder
Companies Act, 2013 / Companies Act	The Companies Act, 2013, as amended and the rules made thereunder
COVID-19	Coronavirus disease 2019, declared a pandemic on March 11, 2020 by the World Health Organisation
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director identification number
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGM	Extraordinary general meeting
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign direct investment
FEMA Rules	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended
Financial Year / Fiscal Year(s) / Fiscal / FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the PAS Rules
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
FSS Act	Food Safety and Standards Act, 2006
FSS Rules	Food Safety and Standards Rules, 2011
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI thereunder
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
Government	Government of India, unless otherwise specified
GST	Goods and services tax
HUF	Hindu undivided family
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Indian GAAP	Generally accepted accounting principles in India
Income Tax Act	The Income Tax Act, 1961, as amended
IRDAI	Insurance Regulatory and Development Authority of India
MCA	The Ministry of Corporate Affairs, Government of India
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
NBFC	Non-banking financial company
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit After Tax

Term	Description
P-Note	Offshore derivative instruments issued by a FPI against securities held by it in India as its underlying
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	The Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi
ROCE	Return on capital employed
ROE	Return on equity
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
SECC Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, as amended
SI-NBFC	Systemically important non-banking financial companies
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
U.S. GAAP	Generally accepted accounting principles in the United States of America
"U.S.$" / "U.S. dollar" / "USD"	United States Dollar, the legal currency of the United States of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
"USA" / "U.S." / "United States"	The United States of America
VCF	Venture capital fund

Technical / Industry Related Terms / Abbreviations

Term	Description
Tier I Cities	All State Capitals & Metros (Delhi-NCR included)
Tier II Cities	Cities with Census Population >10 lacs & not Tier I
Tier III Cities	Towns with Census Population >2 lacs or Towns with Census Population between 1 & 2 lacs and District HQ
Tier IV Cities	Towns with Census Population between 1 & 2 lacs and Not District HQ or Towns with Census Population <1 lacs
Young Families	A family comprising members from newborns to 40-year-old persons, as per the Technopak Report

SUMMARY OF BUSINESS

Overview

We are one of the pioneers in value retail segment in India. (*Source: Technopak Report*) We primarily operate in Tier-II and Tier-III towns and cities through a chain of 'value retail' stores, focused on meeting the aspirations of the consuming class in the country, offering products based on the consumer's socio-economic conditions, purchasing power, demographic details and consumer trends. Having opened our first store in October 2003 by the name of "V-Mart" at Ahmedabad, Gujarat, we now sell our products through 274 stores spread across 188 cities in 19 states, as on December 31, 2020. We are a customer centric company, constantly striving to create value for our customers by offering affordable fashion through a wide assortment to cater to the requirements of an entire family, and other merchandize for home and daily household consumption. We believe our offerings in the Tier-II and Tier-III towns and cities provide the consuming class quality products, primarily fashion merchandise, at affordable prices, under a modern ambience.

While our stores are located in 19 states with a focus on northern and eastern parts of India, we are committed to increasing our penetration across the country by leveraging our cluster-based expansion model. Typically, our new locations are strategically located within a radius of 100 - 150 kilometres from an existing store. These locations are identified and evaluated by our in-house new store operations team, based on a multi-dimensional business assessment matrix. This 'creeping expansion' approach is well-suited for understanding the diverse nature of customer base, in terms of local fashion trends and preferences, festivals, language, culture, cuisine, and ethnicity, all of which may vary even within small distances in India. This understanding translates into rapid scalability of store network in a cluster, procurement and supply chain efficiencies, and cost optimization in marketing and promotions. Adopting the cluster-based expansion model helps us to ensure that proper logistics support is available to our new stores, while facilitating inter-store sharing of resources, thereby reducing our operational costs. Such a model has allowed us to not only be more efficient but also effectively cater to the requirements of the customers across regions. At the end of Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, we had 171, 214, 266 and 274 stores across 145 cities, 171 cities, 190 cities and 188 cities, with store area of 14.53 lakh sq. ft., 18.14 lakh sq. ft., 22.08 lakh sq. ft. and 22.65 lakh sq. ft., respectively. Our strategy has been to deepen our store network at a block or tehsil level to attract both urban and rural customers, within existing clusters of presence that we believe are underserved by value fashion, while gradually expanding our network into newer geographies, pursuant to our cluster-based expansion model.

Our Company operates its business under three verticals – apparels, non-apparel, and FMCG verticals. Within the apparels vertical, which formed the majority of our revenue from contracts with customers as on December 31, 2020, we offer fashion garments for men, women, boys, girls and infants. Our apparel product mix focuses on ethnic, fusion, and western wear for women; formal, sports, and casual wear for men; and kids wear in various colours, and designs. The products offered under our non-apparel vertical are bags, toys, footwear and crockery and utensils, among others. Within the FMCG vertical, we primarily offer packed food and non-food products. During Fiscal 2020 and the nine months ended December 31, 2020, the revenue generated from our apparels vertical contributed to 78.62% and 78.27% of our revenue from contracts with customers whereas the revenue generated from our non-apparel vertical contributed to 13.38% and 13.46% and the revenue generated from our FMCG vertical contributed to 7.89% and 8.07%, of our revenue from contracts with customers, respectively.

Our sourcing capability is backed by an efficient logistics network, which is supported by effective systems and processes and a robust information technology infrastructure, thus allowing us to deliver on our value retailing promise. At our centralized warehouse, we have adopted technology and modern equipment extensively, leading to process efficiencies, thus helping us in optimizing costs. As a result, we are able to procure our merchandise optimally and manage our inventory levels efficiently to better respond to our customers' changing preferences and needs while also ensuring that prices are kept affordable.

Our Company is led by one of our Promoters and our Chairman and Managing Director, Lalit Agarwal, who has over 15 years of experience in the retail industry in India. In addition, our Promoter and Whole-time Director, Madan Agarwal also has over 15 years of experience in the apparel industry. We also have an experienced senior management team that possesses industry and management experience enabling us to capture market opportunities, formulate and execute business strategies, manage customer expectations as well as proactively pre-empt changes in market conditions.

Our total number of bill cuts was 172.27 lakh, 201.72 lakh, 223.56 lakh, 179.16 lakh and 83.70 lakh for Fiscals

2018, 2019 and 2020, and for the nine months ended December 31, 2019 and the nine months ended December 31, 2020, respectively. We were able to increase our total revenues during the last three Fiscals, from ₹ 122,651.30 lakh in Fiscal 2018 to ₹ 166,650.29 lakh in Fiscal 2020. However, given that the operations at our stores were suspended during the lockdown period due to the Government orders owing to COVID-19, our total revenues in the nine months ended December 31, 2020 was ₹ 74,028.39 lakh, as compared with our total revenues in the nine months ended December 31, 2019, which was ₹ 133,305.49 lakh. Our revenue from operations in Fiscals 2018 and 2019 was ₹ 122,237.19 lakh and ₹ 143,374.48 lakh, respectively, and our revenue from contracts with customers in Fiscal 2020 was ₹ 166,202.33 lakh, respectively. In line with the reduction of our total revenues, our revenue from contracts with customers in the nine months ended December 31, 2020 was ₹ 72,358.76 lakh whereas our revenue from contracts with customers in the nine months ended December 31, 2019 was ₹ 132,936.08 lakh. Our profit / (loss) for the year / period was ₹ 7,770.41 lakh, ₹ 6,162.62 lakh, ₹ 4,934.53 lakh, ₹ 5,778.03 lakh and ₹ (472.83) lakh, in the Fiscals ended 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, respectively.

Our Competitive Strengths

Cluster-based expansion model focused on Tier-II and Tier-III towns and cities

Our cluster-based expansion model of creating a group of stores in close vicinity has not only enabled us to optimize our supplier base and warehousing infrastructure, but also allowed us to offer products based on the customer preferences specific to such regions, especially given that culture varies every 100 – 150 kilometres. (*Source: Technopak Report*) Over the years, we have invested in establishing processes, capabilities, and technological infrastructure to support our store network, primarily focusing on Tier-II and Tier- III towns in northern and eastern India. Owing to such a model, we have also been able to ensure that a cost-efficient logistics support is continually available to our stores, with a limited fleet of transport vehicles capable of servicing a large number of our stores. Further, our cluster-based expansion model has also facilitated ease of inter-store stock movements allowing us the flexibility of maximising benefits from capitalising on supply chain efficiencies.

As on December 31, 2020, we sold our products through 37 stores, 140 stores and 34 stores, across Tier-II, Tier-III and Tier-IV towns and cities, respectively. We believe our penetration and long-term presence in certain of these Tier-II, Tier-III and Tier-IV towns and cities has resulted in a large and loyal customer base for us. Our aim is to further expand in the smaller towns and cities by opening new stores within a radius of 100 – 150 kilometres from our existing store clusters in such region.

Over the years, we have strived to expand our operations from the first store opened at Ahmedabad, Gujarat to 274 stores in 188 cities across 19 states in India, as on December 31, 2020. Key highlights of our expansion in the last three Fiscals and the nine months ended December 31, 2020 are set out below:

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	Nine months ended December 31, 2020
New stores opened during the fiscal	31	44	55	13
Cumulative number of stores at the end of the fiscal	171	214	266	274
Store area (*in lakh sq. ft.*)	14.53	18.14	22.08	22.65
Sales per sq. ft. per month (inclusive of taxes) (*in ₹*)	826.97	806.33	758.25	516.76

In addition, the cluster-based expansion model also helps the retailers in exhausting the opportunity in that cluster by operating a large number of stores in that area thereby creating an entry barrier for the other competitor brands. (*Source: Technopak Report*) This model we believe, has been particularly effective against our regional and local competitors who may lack the financial resources required to pursue rapid expansion in a particular cluster and may not have the capability to sustain losses in the interim while they are scaling up.

Serving youth and Young Families through affordable merchandize

We cater to the requirements of the 'consuming class' group of the population with an added focus on youth and Young Families, which forms the bulk of purchasing power of the Indian population, as per Technopak. Our target customer typically resides in Tier-II or Tier-III towns and belongs to the aspirational class. We serve consumers who we believe, typically are first-time users of branded products or the fashion-conscious middle-class consumers, seeking quality at affordable prices. Our Company's core competency lies in understanding the needs and aspirations of our customers in these towns and cities, and consistently translating that into a product assortment that is affordable and of reliable quality. In addition, we have also tried to focus on responding to any change in the market demand and trends and offer our customers a comprehensive range of products catering to their diverse requirements, at affordable prices.

While we predominantly focus on affordable fashion, 51 of our stores, referred to as composite stores, have a dedicated space for and provide a selective assortment of FMCG products as well. The remaining stores have a limited assortment of FMCG items occupying 8-10 fascia space. Our success depends on introducing products at relevant price points to cater to the diverse clothing, fashion, and other home consumption needs of our customers and their families thereby enabling them to spend on products that we offer. Many factors we believe, affect the level of consumption such as consumer confidence and spending, recession, inflation, deflation, pandemic, political uncertainty, taxation, and unemployment. However, we believe our ability to understand consumer preferences and to anticipate any changes thereon, and to successfully offer latest products to cater to these preferences, has helped us grow our revenue.

At 78.27%, the apparels vertical forms a significant portion of our product portfolio, as on the nine months ended December 31, 2020. This has been a conscious choice given our understanding of fashion trends, preferences and aspirations of our target customers. Over the years, we have strived to translate this understanding into sourcing capabilities and long-standing vendor relationships that have enabled us to create relevant and differentiated product assortments. Within the apparels vertical, our focus has been on consumers who are within the age group of a newborn, to up to 40 years and primarily residing in Tier-II or Tier-III towns and cities. According to Technopak, India has the youngest population in comparison to other leading economies. The median age in India is estimated to be 28.7 years in 2020 as compared with 38.5 and 38.4 in the United States and China, respectively, and is expected to remain under 30 years until 2030, as per Technopak. We believe the youth and Young Families segments we focus on, are economically productive, with a number of active earning years ahead. Our focused customer segmentation and targeting strategy, supported by sourcing and supply chain management capabilities has allowed us to deliver fashion merchandise inspired by national and global trends, adapted to local taste, preferences and price points. In addition, our ability to identify fashion trends and offer affordable products to our customers has been further supported by our eight private label brands including such as Flick, Twist, Kidistan and Charcoal that provide an extensive assortment along with differentiated products at affordable prices. In the Fiscal ended March 31, 2020, and in the nine months ended December 31, 2020, our private labels accounted for 59.26% and 58.63%, respectively, of our apparel sales.

Beyond the apparels vertical, we offer a limited but relevant assortment of value-priced products within the non-apparel, and FMCG verticals with the non-apparel vertical forming 13.46%, and the FMCG vertical forming 8.07% of our product portfolio, as on December 31, 2020. For example, within the non-apparel vertical, we offer bags, toys, footwear and crockery and utensils, among others, and within the FMCG vertical, we offer staples, groceries, snacks, processed foods, home care, beverages and confectionary, and personal care products, among others. Even though we have a relatively limited assortment and a smaller store network catering to non-apparel, and FMCG verticals, the suppliers and merchandise are rigorously chosen, to ensure our customers get quality they can trust at a price that suits their budget.

Strong and diversified procurement network with an efficient supply chain management

Over the years, we have created a network of over 600 suppliers. Our in-house team leverages its in-depth understanding of global as well as local trends and works with the extensive supplier base to respond quickly to changing consumer preferences. Our focus on utilizing our knowledge of the clusters and regions in which we operate has allowed us to not only customise our product assortment in each store keeping in mind local demands and preferences but also continuously enhance the merchandise we carry. A detailed research is conducted by our procurement team to locate the sources for procurement of quality products at reasonable costs. This is supported by our ability to source products directly from the regional hubs, for instance, we source hosiery-based apparel from Tirupur, cotton apparel from Ahmedabad, and knitting from Ludhiana, to minimise our procurement costs, and maximize quality and value for our customers. FMCG products are procured from widespread distributors of certain key FMCG companies.

We believe we have established strong relationships with our vendors and suppliers to ensure a smooth, effective and uninterrupted supply of products. An efficient supply chain system is essential not only to reduce operational costs but also to strike an optimum balance between the adequate level of inventory available and the availability of products at all stores as per customer requirements. As on the Fiscals ended 2018, 2019 and 2020 and the nine months ended December 31, 2020, we sourced our products within the apparels and non-apparel verticals, from 578, 633, 574 and 362 vendors, spread across the country.

In addition, our systems and processes backed by our end-to-end enterprise resource planning ("**ERP**") software forms a vital element of our business operations. Our ERP software, 'Ginesys', addresses multiple aspects ranging from planning and setting up of new stores to managing day-to-day operations as well as procurement, sales and inventory and formulation of replenishment plans. These systems enable us to identify and quickly react to changes in such customer preferences by adjusting our products available, brands carried, stock levels and pricing in each of our stores and effectively monitor and manage the performance of each of our stores. To further ensure better control over the supply chain management, a unique buy-and-build approach, and the store-to-warehouse inventory management rule engine deploy machine learning algorithms for store-specific replenishment. This approach relies on identifying promising new vendors, and working with them to develop customized solutions or platforms, deployed to extract recurring cost savings. We centrally procure apparel and non-apparel products at our warehouse which are then distributed to all locations through our transport fleet as well as third-party transporters, thereby allowing us in delivering products in a cost and time efficient manner to our stores. We leverage the existence of our store clusters to ensure a seamless distribution of the products from our warehouse to the respective stores.

Our information technology systems are built with a wide range of data management tools specific to our business needs and support key aspects of our business, including procurement, sales and inventory control on a daily basis. Together with our supply chain management systems and our internal controls to minimise product shortage and the occurrence of out-of-stock situations, we are able to operate efficiently and productively with minimal disruptions to our day-to-day operations. Our inventory turnover ratio was 4.24, 4.51, 4.26 and 3.82 in Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2020. In addition, our increasing trust with our vendors has resulted in us being able to rationalise inventories from ₹ 44,147.25 lakh, as on December 31, 2019 to ₹ 29,781.60 lakh, as on December 31, 2020.

Large base of loyal customers

We believe that our continued focus on customer experience, pricing, range of products, and quality of brands have resulted in a consistent growth in our loyal customer base, especially in the states of Uttar Pradesh, Bihar and Jharkhand. Having pioneered the value retail segment along with certain other peers, and being able to provide modern mall-like retailing ambience in these markets, we believe our Company is perceived by our customers as a trusted value retailer that offers reliable quality and updated fashion at an affordable price. This is also evidenced through our increasing repeat sales which contributed 46.00%, 52.00%, 58.00% and 72.79% to our total revenues, during the Fiscals 2018, 2019 and 2020 and nine months ended December 31, 2020. Further, as on March 31, 2020, we had a total of 48.36 lakh repeat customers. We believe that the emotional connect that we have been able to create with our customers through our fashion merchandise, in-store experience and advertisements and promotions, has helped us earn and retain their loyalty.

We have strived to strategically focus on large low-mid income target customer base, by providing them with differentiated product selections. We believe that an optimum portfolio of private and market labels enables us to better cater to the needs of our customers and increase the range and diversity of our products, leading to increased brand loyalty and repeat sales.

In addition, we have various loyalty programs to retain and add more customers to our existing customer base. The loyalty programs have helped us in building relationships by giving the organisation an understanding of the customer profile, important dates such as birthdays, anniversaries, buying habits and preferences. Pursuant to such loyalty programs, we extend benefits like regular customised communications, advance intimation of events and promotions at our stores. Through a customer database management platform linked to our data analytics and promotional engine, we maintain ongoing engagement with our loyal customers by awarding points, customized discounts, exclusive schemes and benefits, extended shopping hours and other promotional offers.

Competitive lease rentals

We believe, identifying and determining the location and optimal size of a store is critical to ensuring visibility among the target customers and sustainability of store operations profitability. Our ability to find suitable locations on high-street areas and shopping hubs at low lease rentals per sq. ft., has resulted in reduced operational costs.

We generally enter into long term lease agreements typically for a period ranging from nine – 15 years. We have set internal parameters in relation to property identification including accessibility footfalls, rental costs and proximity to the catchment area which we believe, has led to the establishment of our brand identity as an affordable family fashion shopping destination amongst our customers.

Set forth hereunder are certain details in relation to our rental space, our sales per sq. ft. per month and our rent per sq. ft. per month during the Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020:

Particulars	Fiscal			Nine months ended December 31, 2020
	2018	2019	2020	
Rental space (in lakh sq. ft.)	157.73	190.10	241.26	199.85
Sales per sq. ft. per month (in ₹)	826.97	806.33	758.25	516.76
Rent per sq. ft. per month (in ₹)	32.38	32.78	34.98	23.31

***Note**: Please note that the rent per sq. ft. per month does not account for the impact of Ind AS 116.*

Track record of growth in financial performance

Our total number of bill cuts for Fiscals 2018, 2019 and 2020, and for the nine months ended December 31, 2019 and for the nine months ended December 31, 2020, was 172.27 lakh, 201.72 lakh, 223.56 lakh, 179.16 lakh and 83.70 lakh, respectively. We have been able to increase our total revenues during the last three Fiscals, from ₹ 122,651.30 lakh in Fiscal 2018 to ₹ 166,650.29 lakh in Fiscal 2020. Our total revenues in the nine months ended December 31, 2020 was ₹ 74,028.39 lakh, as compared with our total revenues in the nine months ended December 31, 2019, which was ₹ 133,305.49 lakh. Our revenue from operations in Fiscals ended 2018 and 2019, was ₹ 122,237.19 lakh and ₹ 143,374.48 lakh, respectively, where as our revenue from contracts with customers in Fiscal 2020, in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, was ₹ 166,202.33 lakh, ₹ 132,936.08 lakh and ₹ 72,358.76 lakh, respectively. In the Fiscals ended 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, we reported EBITDA of ₹ 13,278.57 lakh, ₹ 13,292.58 lakh, ₹ 21,375.73 lakh, ₹ 18,591.41 lakh and ₹ 9,765.45 lakh, respectively. In the Fiscals ended 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, our EBITDA margin was 10.86%, 9.27%, 12.86%, 13.99% and 13.50%, respectively. In the Fiscals ended 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, our ROCE was for 36.01%, 28.66%, 18.79%, 17.67%, and 3.98%, respectively. In the Fiscals ended 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, our ROE was 25.17%, 16.29%, 11.37%, 13.19%, and (1.04)%, respectively.

In addition, our average transaction size during the Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, was ₹ 750.82, ₹ 754.13, ₹ 788.87, ₹ 787.39 and ₹ 917.92, respectively. Further, the footfall at our stores as on the March 31, 2018, 2019 and 2020 and as on December 31, 2019 and December 31, 2020, was 304.19 lakh, 349.59 lakh, 392.82 lakh, 311.16 lakh and 132.77 lakh, respectively. In addition, during Fiscal 2020 and the nine months ended December 31, 2020, the revenue generated from our apparels vertical contributed to 78.62% and 78.27% of our revenue from contracts with customers whereas the revenue generated from our non-apparel vertical contributed to 13.38% and 13.46% and the revenue generated from our FMCG vertical contributed to 7.89% and 8.07%, of our revenue from contracts with customers, respectively.

We believe that our financial position as mentioned above, illustrates not only the growth of our operations over the years, but also the effectiveness of the administrative and cost management protocols that we have implemented. Among other things, our strong financial position and results of operations have enabled us to penetrate further into primarily the Tier-II and Tier-III towns and cities by further investing in new stores.

Experienced and qualified management team

We have developed a decentralized organizational structure, segregating our retail operations into four zones, each led by a zonal business head who is empowered to take the day-to-day decisions. While our Corporate Office is responsible for undertaking strategic decisions, such a segregation ensures we have an agile, scalable and customer-centric retail organization structure.

Our management team is well-qualified and experienced in the retail industry and has played a key role in the sustained growth of our operations. Our Company is primarily led by one of our Promoters and our Chairman and

Managing Director, Lalit Agarwal who has over 15 years of work experience and has successfully managed the various phases of expansion, growth and consolidation of our business and operations. We also have an experienced and professional Board and qualified management team. Our senior management team has been responsible for implementing our business strategies and identifying new opportunities.

Our business growth is also attributable to a strong management culture fostered by an entrepreneurial spirit, each business vertical being managed by experienced and hands-on segment heads having in-depth sector knowledge of the verticals that we cater to. Our mid-level management is supported by our trained personnel who benefit from our regular in-house training initiatives. Special emphasis is laid on such training and guidance so as to enable such workers to perform with utmost efficiency and with minimum failures. We take pride in our employee culture and consistently endeavour to emphasize teamwork and collaboration across functions to ensure that our employees are able to suggest and implement ideas regardless of their role. We have strived to motivate our senior and mid-level management team by providing them employee stock options, pursuant to ESOP schemes, thereby enabling a strong alignment of their interests with our performance.

Our Business Strategies

Concentric expansion, focusing on deeper penetration in core geographies

Our Company currently operates stores in 19 states and according to Technopak Report, these states constitute over 40.00% of India's total retail spending in Fiscal 2020. In addition, our Company's presence in the states with high expected retail spending growth over the next five years, as per Technopak, offers us a growth opportunity in the untapped markets and we intend to focus our expansion efforts in such markets. Our aim is to follow a peripheral and concentric expansion approach pursuant to which, we will look to target contiguous states, to avail new opportunities. In addition, we will also look to expand our presence in the markets where we can leverage our existing presence to enhance our market share. For instance, we may foray into Telangana and Andhra Pradesh or penetrate further in Odisha, to tap into and nurture new opportunity clusters.

We have, in the past, expanded our stores through a cluster-based expansion model and intend to continue to do so in the future. In the states of Uttar Pradesh and Bihar where we have a significant presence, we believe that there is a potential for expansion not only at the district-level, but also at cluster-level, since clusters exist at or within blocks or sub-units of a given district. The significant growth in the number of our stores is evident in that we had opened 63 stores across 10 states as on March 31, 2013, which had increased to 123 stores across 14 states as on March 31, 2016. As on December 31, 2020, our Company had opened a total of 274 stores across 19 states in India. In Fiscal 2020 and in the nine months ended December 31, 2020, we added 52 and 8 new stores net of closure, respectively, in 24 new cities and 19 cities where we have existing stores.

The key factor affecting the expansion of our stores is the selection of suitable locations. We undertake detailed market research and analysis to identify potential locations for our upcoming stores. We will continue to adopt a methodical approach in evaluating and selecting suitable locations for the establishment of new stores, such as local population density, rental lease rates, market potential, accessibility and proximity to our competitors. In order to optimise our profitability, maintain our operational flexibility and ensure that our stores continue to be located in clusters, we intend to continue to lease our premises according to availability, cost and other considerations. We also intend to increasingly utilize modern trade channels such as online platforms to increase our sales in the markets where we are already present. Enhancing our reach to cover additional towns and cities in parallel, will allow us to reach out to a larger population and become a preferred fashion shopping destination.

Increase focus on women's wear

In addition to strengthening and expanding our reach, we intend to increase our focus on women value fashion category within which ethnic wear has the dominant share. According to Technopak Report, broadly, the fashion apparel market caters to three distinct demographic segments - men's, women's and kid's segments. While our apparels vertical does constitute women wear, majority of our sales in the past have been through sale of apparels for men and kids. We intend to grow our sales of products under the apparels vertical focused towards women in the next few years by increasing the number of affordable and quality options in our stores, and by sourcing and making available product assortments for various demographic segments - young and college-going youth, young married women, working women, mothers with young children.

According to Technopak Report, in Fiscal 2020, women's apparel segment in India accounted for an annual market size of USD 22 billion, of which, 71% was accounted for by ethnic wear whereas 29% was accounted for by western wear. While in terms of the size of opportunity pie, women's segment is comparable to that of men's segment, at a five-year CAGR of 5.30%, the women's segment is projected to grow faster than the men's, which is expected to grow at 5.00%, as per Technopak. According to Technopak, the women's wear market is projected to grow due to an increase in the number of working women, a shift towards aspiration rather than need based buying and design innovation. Given that a majority of family shoppers at our stores are women who we believe, are shopping for the entire family or for their kids, we anticipate there being a vast untapped potential for our Company to increase its share of wallet in women's wear, especially since a majority of our target consumer is a 'repeat customer'.

We believe our market position, experience in understanding preferences, sensibilities and budget requirements of Indian women consumers will enable us to develop and offer quality garments, while ensuring that our offerings remain distinctive and well-differentiated.

Grow and develop our private labels portfolio

Our private labels, Flick, Twist, Kidistan and Charcoal, provide an extensive assortment along with latest and differentiated fashion at affordable prices. Our experience in identifying international and national fashion trends and offering it to our consumers through these labels at low prices has resulted in our private label portfolio accounting for a majority of our revenue from apparels in Fiscal 2020. While we focus on developing these existing private labels, we will also look to grow and develop other private labels in the future.

Our Company intends to take several initiatives towards enhancing its value proposition by focusing on widening its product portfolio under its private labels, by leveraging a knowledgeable customer service team, and by enhancing its visual merchandising and display, and instore experience. Given that within our private labels, the revenue derived under our Flick brand has been leading in the last three Fiscals, we intend to further develop Flick into a leading casual menswear brand offering trendy apparels, targeted at persons between the age of 18 and 24 years. In addition, we are further enhancing our fashion trend monitoring capabilities to better understand our existing customers, and also to focus on our target customers, with an aim to develop our private label portfolio into market-leading brands in their respective categories.

Continued refinement of our store model

In the process of opening new stores, we take various factors into account, including population density, customer traffic, customer accessibility, potential growth of local population, development potential and future development trends, estimated spending power of the population and local economy, profitability and payback period, estimated on the basis of the expected sales potential, strategic benefits, proximity and performance of competitors in the surrounding area and site characteristics and suitability with the specifications of our building plans. Given these considerations, we intend to further refine our store model by developing the following two formats:

- *Fashion Dial-Up:* Fashion Dial-Up ("**FDU**") refers to a store format focused on less than 30 year old consumers, and trendy fashion-focused store ambience and merchandize; and

- *Value Dial-Up:* Value Dial-Up ("**VDU**") refers to a store format that is focused on semi-urban and rural customer, typically residing in or frequently visiting Tier-IV towns and offers basic and core fashion merchandize.

These two new formats, we anticipate, shall enable us to reach out to a larger base of potential customers, including in the newer markets.

Relevant and differentiated brand and value proposition

Our Company intends to take several initiatives towards enhancing its value proposition by focusing on widening its product portfolio, creating a more digital-ready and knowledgeable customer service team, and enhancing visual merchandising and display. We are also evaluating the usage of machine learning and artificial intelligence and how such automation would help reduce our per store costs. Further, with the growing penetration of e-commerce in smaller towns especially in the Tier-III and Tier-IV towns, we believe that there is an opportunity to leverage our brand equity and trust that we enjoy with our customers, and through our omnichannel platform, provide a digitally integrated, seamless shopping experience. Our shopping portal, www.vmartretail.com, and our shopping mobile application that can be downloaded from both AppStore and iOS, serve as our omnichannel options currently. When a customer places an order online through our app or website, it is routed to the nearest V-Mart store for fulfilment. In addition, an adoption of data analytics and digital technologies in both, customer-facing and back-end processes would, we believe, enhance process efficiency and customer experience. According to Technopak Report, COVID-19 has given an impetus to the growth of e-commerce which is expected to become a significant growth driver for the organised market.

We expect that through such processes, we would be able to attract more customers as we would be in a position to make personalized fashion recommendations, maintain a targeted and relevant assortment at store level, and have a more agile supply chain.

Technology and digital led continual improvement in operating efficiency

Our business model requires us to maintain high levels of operational efficiency on a consistent basis. Further, we believe that supply chain management is critical to our business. Our supply chain management is critical in reducing operational costs and helping maintain an optimum balance between the level of inventory available and the availability of products at all stores as per customer requirements. This involves planning, sourcing, vendor management, logistics, quality control, pilferage control, replacement and replenishment. We plan to further improve our operating efficiency and ensure efficient supply chain management, including by (i) investing further in our IT systems to improve productivity and time savings thereby increasing our operating efficiency; and (ii) expanding and upgrading our warehouse to improve the efficiency of our inventory and supply management; and (iii) continuing to absorb best industry practices. We believe that by improving our supply chain management will help us optimise in-store availability of products, and consequently meet customer demands effectively.

In the changing business landscape, we are actively responding to the importance of being a digital business. To ensure that investments in analytics and technology improve our current business model, our digital strategy is geared to deliver on two fronts - expectations of our customers as well as our internal functions. To provide a seamless shopping experience to our customers as they become more digital in their lifestyle, we launched our omnichannel platform in September 2019. We are currently leveraging and shall continue to leverage, digital marketing channels and analytics to drive our business operations.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections entitled "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 45, 76, 212, 198 and 228, respectively.

Issuer	V-Mart Retail Limited
Face Value	₹ 10 per Equity Share
Issue Price	₹ 2,450 per Equity Share
Floor Price	₹ 2,432.84 per Equity Share, which has been calculated on the basis of Regulation 176 of the SEBI ICDR Regulations.
Issue Size	Aggregating to approximately ₹ 37,499.99 lakh, comprising up to 15,30,612 Equity Shares, at a premium of ₹ 2,440 per Equity Share. A minimum of 10% of the Issue Size i.e. up to 1,53,061 Equity Shares, was made available for Allocation to Mutual Funds only and the balance 13,77,551 Equity Shares was made available for Allocation to all QIBs, including Mutual Funds.
Date of Board Resolution authorizing the Issue	September 5, 2020
Date of shareholders' resolution authorizing the Issue	September 30, 2020
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form are circulated and who are eligible to bid and participate in the Issue. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form have been delivered shall be determined by the Book Running Lead Manager in consultation with our Company, at its discretion. For further details, see "*Issue Procedure – Eligible Qualified Institutional Buyers*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 202, 214 and 223 respectively.
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 228 and 82, respectively.
Indian taxation	See "*Taxation*" on page 232.
Equity Shares issued and outstanding immediately prior to the Issue	1,81,75,531 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	1,97,06,143 Equity Shares
Issue Procedure	This Issue was made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, please see the section entitled "*Issue Procedure*" on page 198.
Listing and trading	Our Company has obtained in-principle approvals dated January 28, 2021, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, from BSE and NSE, for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with Depository Participants to obtain final listing and trading approval for the Equity Shares.
Lock-up	For details in relation to lock-up, see "*Placement – Lock-up*" on page 213.
Transferability restrictions	The Equity Shares to be issued pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For details in relation to other transfer restrictions, please see the section entitled "*Transfer Restrictions and Purchaser Representations*" on page 223.
Use of proceeds	The gross proceeds from the Issue aggregate to approximately ₹ 37,499.99 lakh. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 36,902.93 lakh. See "*Use of Proceeds*" on page 76 for additional information regarding the use of net proceeds from the Issue.
Risk factors	See the section entitled "*Risk Factors*" on page 45 for a discussion of risks you should consider before participating in the Issue.
Closing Date	The Allotment is expected to be made on or about February 3, 2021.
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari*

	passu with the existing Equity Shares of our Company, including in respect of voting rights and dividends. The holders of Equity Shares (as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Equity shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For further details, please see the sections entitled "*Dividends*" and "*Description of the Equity Shares*" on pages 82 and 228, respectively.	
Security codes for the Equity Shares	ISIN	INE665J01013
	BSE Code	534976
	NSE Symbol	VMART

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information derived from our Audited Financial Statements, prepared in accordance with Ind AS, as notified by the MCA pursuant to Section 133 of the Companies Act, read with the IAS Rules and other relevant provisions of the Companies Act, and our Unaudited Condensed Interim Financial Statements, prepared in accordance with the Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, read with the IAS Rules and other relevant provisions of the Companies Act, except that financial information with respect to the nine months ended December 31, 2019 are derived from the comparatives presented in the Unaudited Condensed Interim Financial Statements as at and for nine months ended December 31, 2020,. For further details, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information", on pages 83 and 254, respectively.

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Summary balance sheet

			(₹ *in lakh)*
	As at March 31, 2020	**As at March 31, 2019**	**As at March 31, 2018**
ASSETS			
Non-current assets			
Property, plant and equipment	17,127.15	16,220.79	14,122.69
Right-of-use assets	49,211.06	-	-
Capital work in progress	246.69	400.98	351.02
Intangible assets	365.87	328.67	352.03
Financial assets			
Investments	331.54	982.48	634.18
Loans	1,188.50	960.17	719.52
Other financial assets	125.22	117.65	5.04
Deferred tax assets (net)	1,601.23	1,182.99	920.10
Non-current tax assets (net)			73.89
Other non-current assets	408.62	832.12	948.11
	70,605.88	**21,025.85**	**18,126.58**
Current assets			
Inventories	47,792.24	32,898.41	30,711.20
Financial assets			
Investments	457.47	5,085.29	2,769.13
Loans	3.44	5.61	7.73
Cash and cash equivalents	489.59	1,231.71	1,373.71
Other financial assets	-	256.98	111.89
Other bank balances	9.26	426.88	585.07
Other current assets	3,006.90	2,253.22	1,305.08
	51,758.90	**42,158.10**	**36,863.81**
	1,22,364.78	**63,183.95**	**54,990.39**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1,815.55	1,813.00	1,809.74
Other equity	44,077.64	39,114.04	32,934.40
	45,893.19	**40,927.04**	**34,744.14**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	-	2.60	32.24
Lease liabilities	43,783.81	-	-
Other financial liabilities	-	599.51	416.66
Provisions			390.63
Employee benefit obligations	612.26	510.77	
	44,396.07	**1,112.88**	**839.53**
Current liabilities			
Financial liabilities			
Borrowings	104.65	-	
Lease liabilities	7,782.64	-	
Trade payables			16,678.20
a) total outstanding dues of micro enterprises and small enterprises	5,043.66	2,362.61	
b) total outstanding dues of creditors other than micro enterprises and small enterprises	14,635.31	12,463.39	
Other financial liabilities	2,608.14	4,233.95	1,529.34
Employee benefit obligations	254.92	211.64	
Liabilities for current tax (net) / Current tax liabilities (net)	967.05	971.75	236.90
Provisions			29.52
Other current liabilities	679.15	900.69	932.76

(₹ in lakh)

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	32,075.52	**21,144.03**	**19,406.72**
	1,22,364.78	**63,183.95**	**54,990.39**

Summary of statement of profit and loss

(₹ in lakh)

	For the year ended		
	March 31, 2020	**March 31, 2019**	**March 31, 2018**
REVENUE			
Revenue from operations / contracts with customers	1,66,202.33	1,43,374.48	1,22,237.19
Other income	347.22	411.79	414.11
Finance income	100.74	180.51	-
Total Revenues (I)	**1,66,650.29**	**1,43,966.78**	**1,22,651.30**
EXPENSES			
Purchase of traded goods	1,27,520.03	99,216.07	86,820.49
(Increase) in inventories	(14,893.83)	(2,187.21)	(3,793.65)
Employee benefits expense	15,362.51	12,572.51	9,839.05
Finance costs	5,478.39	161.27	152.89
Depreciation and amortization expense	9,392.28	2,762.57	2,293.12
Other expenses	16,837.89	20,480.53	16,092.73
Total Expenses (II)	**1,59,697.27**	**1,33,005.74**	**1,11,404.63**
Profit before exceptional items and tax (I)-(II)	**6,953.02**	**10,961.04**	**11,246.67**
Exceptional items	-	979.94	
Profit before tax	**6,953.02**	**9,981.10**	**11,246.67**
Tax expense			
Current tax (including earlier years)	2,436.35	4,062.21	3,625.60
Deferred tax (credit)	(417.86)	(243.73)	(149.34)
Total tax expense	**2,018.49**	**3,818.48**	**3,476.26**
Profit for the year	**4,934.53**	**6,162.62**	**7,770.41**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations	(1.52)	(54.83)	44.01
Income tax on above	0.38	19.16	(15.23)
Total other comprehensive income	**(1.14)**	**(35.67)**	**28.78**
Total comprehensive income for the year	**4,933.39**	**6,126.95**	**7,799.19**
Earnings per share [nominal value of share ₹ 10 (March 31, 2019: ₹ 10), nominal value of share ₹ 10 (March 31, 2018: ₹ 10)]]			
Basic	27.18	34.01	42.94
Diluted	27.17	33.90	42.79

Summary of cash flow statement

(₹ in lakh)

	For the year ended		
	March 31, 2020	**March 31, 2019**	**March 31, 2018**
Operating activities			
Profit before Income tax	6,953.02	9,926.27	11,246.67
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortization expense	9,392.28	2,675.76	2,217.98
Loss on sale / write-off of fixed assets	118.08	69.74	4.19
Employee stock option expense	271.26	306.53	118.67
Fixed assets written off			41.37
Provision against doubtful advances	142.50	19.87	
Balances written off	18.15	17.25	54.95
Dividend income			(47.14)
Impairment in value of investments	-	979.94	
Finance costs	5,478.39	161.27	152.89
Expense on fair valuation of security deposits	-	76.63	
Interest income	(100.74)	(180.51)	99.48
Profit on sale of investments (net)	(184.86)	(184.12)	(110.39)
Interest and expenses for fair valuation of deposits			(50.69)
Income on investment designated at FVTPL	(32.51)	(66.97)	
Liabilities written back	(98.06)	(148.48)	(26.35)
Operating profit before working capital changes	**21,957.51**	**13,653.18**	**13,701.63**
Changes in working capital :			
Decrease / (increase) in financial assets	627.40	(315.52)	(131.32)
(Increase) in other assets	(850.16)	(883.14)	(945.84)
(Increase) in inventories	(14,893.83)	(2,187.21)	(3,793.65)
Increase / (decrease) in trade payables	4,951.03	(1,852.20)	687.88
(Decrease) / increase in other financial liabilities	(1,072.10)	2,233.82	182.46
Increase in other liabilities	180.46	4.58	432.09
Increase in provisions	143.25	302.26	111.47
Cash flow from operations	**11,043.56**	**10,955.77**	**10,244.72**
Taxes paid (net of refunds)	(2,413.72)	(3,321.47)	(3,810.96)
Net cash flow from operating activities	**8,629.84**	**7,634.30**	**6,433.76**
Investing activities			
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(6,141.59)	(4,069.00)	(4,791.06)
Purchase of investments	(23,793.91)	(47,027.65)	(3,403.31)
Proceeds from sale of investments	29,290.04	43,634.34	7,355.74
Proceeds from sale of fixed assets	679.08	3.83	13.54
Interest received	6.68	107.93	(99.71)
Earmarked bank deposits			(463.35)
Movement in pledged fixed deposits (including earmarked balances with bank net of liabilities) / margin money deposits	10.98	13.37	(117.84)
Net cash from / (used in) investing activities	**51.28**	**(7,331.18)**	**(1,505.99)**
Financing activities			
Proceeds from issue of equity shares including securities premium	133.55	186.40	94.77
Repayment of long term borrowings	(29.65)	(27.28)	(23.29)
Proceeds from short term borrowings (net)	104.65	-	(3,487.04)
Equity dividend paid	(308.61)	(362.47)	(226.22)
Corporate dividend tax paid	(63.44)	(74.51)	(46.05)
Lease payment made (net of sublease income)	(3,789.89)	-	-
Finance charges paid	(5,478.61)	(161.27)	(152.53)
Net cash (used in) financing activities	**(9,432.00)**	**(439.13)**	**(3,840.36)**

(₹ in lakh)

	For the year ended		
	March 31, 2020	**March 31, 2019**	**March 31, 2018**
Net decrease / (increase) in cash and cash equivalents (A+B+C)	(750.88)	(142.00)	1,087.41
Cash and cash equivalents at the beginning of the year	1,231.71	1,373.71	286.30
Cash and cash equivalents at the end of the year (D+E)	**480.83**	**1,231.71**	**1,373.71**

Summary balance sheet

(₹ in lakh)

Particulars	As at December 31, 2020	As at March 31, 2020
ASSETS		
Non-current assets		
Property, plant and equipment	16,169.33	17,127.15
Right-of-use assets	48,796.42	49,211.06
Capital work in progress	148.37	246.69
Intangible assets	295.11	365.87
Financial assets		
Investments	358.70	331.54
Loans	1,271.36	1,188.50
Other financial assets	140.68	125.22
Deferred tax assets (net)	2,276.37	1,601.23
Other non-current assets	268.56	408.62
	69,724.90	**70,605.88**
Current assets		
Inventories	29,781.60	47,792.24
Financial assets		
Investments	4,988.80	457.47
Loans	3.47	3.44
Cash and cash equivalents	6,000.16	489.59
Other financial assets	10.74	-
Other bank balances	295.13	9.26
Other current assets	1,761.22	3,006.90
	42,841.12	**51,758.90**
	112,566.02	**122,364.78**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,817.55	1,815.55
Other equity	43,629.05	44,077.64
	45,446.60	**45,893.19**
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	48,921.17	43,783.81
Provisions		
Employee benefit obligations	746.19	612.26
	49,667.36	**44,396.07**
Current liabilities		
Financial liabilities		
Borrowings	14.53	104.65
Lease liabilities	4,017.57	7,782.64
Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	1,646.90	5,043.66
b) total outstanding dues of creditors other than micro enterprises and small enterprises	8,335.53	14,635.31
Other financial liabilities	1,125.19	2,608.14
Employee benefit obligations	248.45	254.92
Liabilities for current tax (net)	1,360.63	967.05
Other current liabilities	703.26	679.15
	17,452.06	**32,075.52**
	1,12,566.02	**1,22,364.78**

Summary of statement of profit and loss

(₹ in lakh)

	For the nine months ended	
	December 31, 2020	**December 31, 2019**
REVENUE		
Revenue from contracts with customers	72,358.76	132,936.08
Other income	1,548.52	292.77
Finance income	121.11	76.64
Total Revenues (I)	**74,028.39**	**133,305.49**
EXPENSES		
Purchase of traded goods	29,645.62	100,101.97
Decrease / (Increase) in inventories	18,010.64	(11,248.84)
Employee benefits expense	8,134.00	11,687.35
Finance costs	4,430.95	4,091.72
Depreciation and amortization expense	7,741.56	6,871.10
Other expenses	6,803.05	13,804.19
Total Expenses (II)	**74,765.82**	**125,307.49**
(Loss) / Profit before tax	**(737.43)**	**7,998.00**
Tax expense		
Current tax (including earlier years)	393.19	2,557.88
Deferred tax (credit)	(657.79)	(337.91)
Total tax expense	**(264.60)**	**2,219.97**
(Loss) / Profit for the period	**(472.83)**	**5,778.03**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of post employment benefit obligations	(68.95)	(39.89)
Income tax on above	17.35	10.04
Total other comprehensive income	**(51.60)**	**(29.85)**
Total comprehensive income for the period	**(524.43)**	**5,748.18**
Earnings per share [nominal value of share ₹ 10 (December 31, 2019: ₹ 10)]		
Basic	(2.60)	31.83
Diluted	(2.60)	31.80

Summary of cash flow statement

(₹ in lakh)

Particulars	For the nine months ended	
	December 31, 2020	**December 31, 2019**
Operating activities		
(Loss) / Profit before Income tax	(737.43)	7,998.00
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	7,741.56	6,871.10
Loss on sale / write-off of fixed assets	46.13	80.31
Employee stock option expense	-	221.87
Provision against doubtful advances	17.18	62.46
Balances written off	5.85	3.88
Finance costs	4,430.95	4,091.72
Rent Concession on lease rentals	(2,277.58)	-
Interest income	(121.11)	(76.64)
Profit on sale of investments (net)	(4.89)	(181.49)
Expense for fair valuation of deposits		72.51
Income on investment designated at FVTPL	(49.00)	(24.31)
Liabilities written back	(47.96)	(66.81)
Operating profit before working capital changes	**9,003.70**	**19,052.60**
Changes in working capital :		
(Increase) in financial assets	(115.02)	(192.23)
Decrease / (Increase) in other assets	1,227.55	(755.07)
Decrease / (Increase) in inventories	18,010.64	(11,248.84)
(Decrease) in trade payables	(9,648.58)	(2,115.32)
(Decrease) / increase in other financial liabilities	(990.45)	1,972.21
Decrease in other liabilities	(270.30)	(498.68)
Increase in provisions	58.51	73.08
Cash flow from operations	**17,276.05**	**6,287.75**
Taxes paid (net of refunds)	(9.11)	(1,903.00)
Net cash flow from operating activities	**17,266.94**	**4,384.75**
Investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(2,032.65)	(4,290.37)
Purchase of investments	(8,399.67)	(18,333.98)
Proceeds from sale of investments	3,895.05	24,241.67
Proceeds from sale of fixed assets	34.76	3.57
Interest received	9.66	6.65
Earmarked bank deposits		
Movement in pledged fixed deposits (including earmarked balances with bank net of liabilities)	(8.04)	380.85
Net cash used in / (from) investing activities	**(6,500.89)**	**2,008.39**
Financing activities		
Proceeds from issue of equity shares including securities premium	94.22	133.55
Repayment of long term borrowings	(2.60)	(22.01)
Proceeds from short term borrowings (net)	(90.12)	-
Equity dividend paid	-	(308.61)
Corporate dividend tax paid	-	(63.44)
Lease payment made (net of sublease income)	(959.85)	(2,171.70)
Finance charges paid	(4,431.09)	(4,091.94)
Net cash (used in) financing activities	**(5,389.44)**	**(6,524.15)**

(₹ in lakh)

Particulars	For the nine months ended	
	December 31, 2020	**December 31, 2019**
Net decrease in cash and cash equivalents (A+B+C)	5,376.61	(131.01)
Cash and cash equivalents at the beginning of the period	480.83	1,231.71
Cash and cash equivalents at the end of the period (D+E)	**5,857.44**	**1,100.70**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) the nine months ended December 31, 2020, (ii) Fiscal 2020; (iii) Fiscal 2019; and (iv) Fiscal 2018, as per the requirements under Ind AS 24, as notified under Section 133 of the Companies Act, read with IAS Rules, as amended, please see the section entitled "*Financial Information – Unaudited Condensed Interim Financial Statements – Note 4*", "*Financial Information – Audited financial statements for Fiscal 2020 – Note 36*", "*Financial Information – Audited financial statements for Fiscal 2019 – Note 35*" and "*Financial Information – Audited financial statements for Fiscal 2018 – Note 36*" on pages F-34, F-87, 147 and F-200, respectively.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Placement Document, including the risks and uncertainties described below, before making an investment decision in our Equity Shares. If anyone or a combination of the following risks actually occurs, our business, prospects, financial condition, results of operations and / or cash flows could suffer and the trading price of our Equity Shares could decline and you may lose all or part of your investment. The risks described below are not the only ones relevant to us or our Equity Shares or the industry and regions in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition and / or cash flows.

To obtain a more detailed understanding of our Company, prospective investors should read this section in conjunction with "Presentation of Financial and Other Information", "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 13, 135, 167 and 83, respectively, as well as the other financial and statistical information contained in this Placement Document. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. For further details, see "Forward-Looking Statements" on page 16.

Unless specified or quantified in the relevant risks factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated or the context otherwise requires, the financial information of our Company used in this section has been derived from the Audited Financial Statements and Unaudited Condensed Interim Financial Statements, except that financial information with respect to the nine months ended December 31, 2019 are derived from the comparatives presented in the Unaudited Condensed Interim Financial Statements as at and for nine months ended December 31, 2020. Unless otherwise stated or the context otherwise requires, the financial information of our Company used in this section are on a consolidated basis.

1. ***The outbreak of the COVID-19 has had, and is expected to continue to have, a significant effect on our operations, and could negatively impact our business, revenues, financial condition and results of operations. The current, and uncertain future, impact of the COVID-19 pandemic, including its effect on the ability or desire of people to visit our stores, is expected to continue to impact our operations and cash flows.***

The outbreak of COVID-19 was recognized as a public health emergency of international concern on January 30, 2020 and as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, had/have taken preventive or protective actions, such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. The Government of India had announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, lockdowns may be reintroduced in the future. Certain countries have reinstated lockdown conditions due to a "second wave" of the COVID-19 outbreak and the discovery of a new strain of the coronavirus in the United Kingdom, and the Central Government and State Governments may reinstate complete lockdown conditions or impose additional restrictions.

In order to contain the spread of the infection, the national lockdown which was effected from March 25, 2020, has impacted our sales as products under our apparel and non apparel verticals, did not constitute "essential products" and our principal channels of sale were not allowed to function as part of the lockdown imposed by the Government of India and relevant state governments and inflicting adverse impact on revenue and profitability. While operations at all of our stores were initially suspended during the lockdown period due to the Government orders, we have been able to resume operations at all our stores with certain restrictions.

In addition , most of our product offerings being discretionary in nature to an extent, may not achieve pre-COVID-19 level of footfalls in our stores and consequently, the pre-COVID-19 level of sales. The consumers may not choose to shop discretionary products as compared to essentials, immediately after lifting of lockdown owing to inter alia, economic slowdown and job cuts leading to less disposable income for discretionary spends.

COVID-19 has also resulted in fall in sales, and we continue to incur fixed cost (including the salary/ wage cost for our employees). We are regularly monitoring the impact of COVID-19 on all aspects of our business and operations, including its impact on our stores at airports, and the preventive or protective actions of the central, state and local Governments on the relevant aspects of our business and operations. While we have adopted measures, including optimizing employee strength and operational structure, we cannot assure that such measures will not have a negative impact on our business, operations and reputation. While operations at all of our stores were initially suspended due to the Government orders, we have been able to resume operations at all our stores with certain restrictions including physical distancing, split-team, work from home and quarantine measures.

We had total revenues of ₹ 74,028.39 lakhs during the nine months ended December 31, 2020, which was 44.47% lower when compared with total revenues of ₹ 1,33,305.49 lakhs for the nine months ended December 31, 2019, primarily on account of COVID-19. As of the date of this Placement Document, while the Government of India and other governments in the world has initiated its COVID-19 vaccination drive, there is still some uncertainty relating to the impact of the COVID-19 pandemic on the global and the Indian economy, and we are unable to accurately predict the near-term or long-term impact of the COVID-19 pandemic on our business. If the uncertainty relating to the impact of the COVID-19 pandemic continues, we may not be able to sustain our operations. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section. While we believe the COVID-19 pandemic is not likely to impact recoverability of the carrying value of assets, we are closely monitoring the development and possible effects that may result from the COVID-19 pandemic on our financial condition, liquidity and operations. As the situation is continuously evolving, the eventual impact may be different from management estimates. Further, we may not be able to predict the duration and severity of the current economic conditions and as a consequence, our financial results for a particular period are difficult to predict, and, therefore, prior results including financial results for the Fiscal 2020, are not necessarily indicative of results to be expected in future periods. Our Statutory Auditors have also included matters of emphasis in their reports on Audited Financial Statements for Fiscal 2020, and the Unaudited Condensed Interim Financial Statements in relation to the management's assessment of the impact of the COVID-19 pandemic on the operations and financial results of our Company for Fiscal 2020 and for the nine months ended December 31, 2020.

2. ***The fashion and retail industry is highly competitive and is very fragmented. If we do not respond to competition effectively, our cash flows, financial condition and results of operation may be adversely affected.***

We operate in the highly competitive industry which is characterised by rapid shifts in consumer trends and technology and our market share may be adversely impacted at any time by the significant number of competitors in our industry that may compete more effectively than us. These frequent changes and their impact on consumer demand may result into both price and demand volatility, leading to change in the competitive scenario. Due to the expansive nature of our business, we face competition from various kinds of players including, players operating in retail, wholesale and e-commerce space. We compete with national and local department stores, independent retail stores and internet businesses that market similar lines of merchandise as us. Many of our competitors are, and many of our potential competitors may be, larger, have substantially greater financial, marketing and other resources and, therefore, may be able to adapt to changes in customer requirements more quickly, devote greater resources to the marketing and sale of their products or adopt more aggressive pricing policies than we can. We face a variety of competitive challenges, including:

- local stores which may have a fixed clientele base and wider penetration in certain geographical areas;
- pricing our products to remain competitive while achieving a customer perception of comparatively higher value;
- anticipating and quickly responding to changing consumer demands;
- maintaining favorable brand recognition and effectively marketing our products to consumers in diverse markets;
- developing innovative, high-quality products in sizes, colours and styles that appeal to consumers;

- providing strong and effective marketing support; and
- maintaining high levels of consumer traffic to our retail and online stores.

The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

Some of our organised competitors may also have advantages over us on account of, amongst other things, more prominent locations of their stores, more efficient distribution networks, better trained employees, greater geographic reach, broader product ranges or access to a large pool of financial resources. Further, certain regional and national competitors have rapidly expanded value fashion formats in untapped new markets. Since these towns are experiencing quality retail for the first time, the nature of these retail offerings might commoditise fashion for the customers. As a result, we will need to create brands and propositions that provide access to high value products but also create a customer connect to our brand identity.

Additionally, we are also witnessing a growth in the competition from online retailers who have been able to offer products at competitive prices. Due to various factors, including efficient logistics management and strategic tie ups, online retailers are not only able to offer more discounts, but also a wider range of apparels and accessories. Due to the above reasons, online retailing has been witnessing noticeable growth in the recent years and increased competition from them could reduce footfalls and sales in our stores. There is no assurance that we would be able to effectively offset the advantages that our competitors may have and grow our business, or that the competition we face would not drain our financial or other resources. If we are unable to adequately address such competitive pressures, our business, financial condition, results of operations and cash flows may be adversely affected.

3. Our business depends on our ability to obtain and retain quality retail spaces.

Our success depends on our ability to identify and acquire key retail spaces at such shopping locations with attractive commercial propositions, suitable locations and reasonable costs. As of December 31, 2020, we have 274 stores across 188 cities in 19 states. As we expand our store network, we will be exposed to various challenges, including those relating to identification of potential markets and suitable locations for our new stores, obtaining leases for such stores, competition, different cultures and customer preferences, regulatory regimes, business practices and customs. As a new store location should satisfy various parameters to make an attractive commercial proposition, finalisation of location and property acquisition for our new stores is an evolving process which may not progress at the same pace as in the past or at the expected pace. If we are unable to identify and obtain suitable locations for our expansion and enter into leasehold or rental agreements on terms commercially beneficial to us, or at all, it may adversely affect our expansion and growth plans.

We do not own the stores from where we operate our businesses. We take property through lease or license which typically vary from a period of 9 to 15 years. Such leasehold/ leave and license basis arrangements may require renewal or escalations in rentals/ license fee from time to time during the lease/ license period. If we are unable to renew these agreements on favourable terms, or at all, we may be required to relocate operations and incur additional costs in such relocation. Further, if we are unable to identify and obtain suitable locations for our expansion and enter into leasehold or rental agreements on terms commercially beneficial to us, or at all, it may adversely affect our expansion and growth plans.

We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease/ leave and license agreements and there is no assurance that we will be able to identify suitable locations to relocate our operations. We are affected by competition from other retailers for real estate resources on which our stores are located. Due to increased competition, we may also face increased lease expenses and rent. It may also lead to termination of our leases or disputes that may arise with store owners which may result in closure of our stores, thus affecting our expansion and growth plans, results of operations, cash flows and financial condition.

4. The success of our business is dependent on an agile and efficient supply chain management.

We strive to keep optimum inventory at our stores to control our working capital requirements. Inefficient supply chain management may lead to unavailability of right or adequate merchandise, unavailability of range of apparels resulting in a mismatch between customer requirements and products available at our stores. Ensuring shelf availability for our products warrants quick turnaround time and high level of coordination with suppliers. Our inability or failure to maintain a balance between optimum inventory levels and our product offering at our stores may adversely affect our business, results of operations, cash flows and financial condition.

If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale in our stores and our distribution centres. In addition, if we underestimate customer demand for our products, we may be required to outsource the manufacture of additional quantities to third parties. Any disruptions or delays in the supply of our products could hamper our operations and adversely impact our business and results of operations.

In addition, our distribution and logistics network are dependent on our sole warehouse in Haryana. Our distribution centre acts as a storage facility for onward delivery of our merchandise to all our stores. Any material disruption at this distribution centre, including due to fire or such other accidents may adversely affect our distribution and logistics operations. While we have not experienced any such disruptions in the past, such disruptions may adversely impact our business and results of operations.

5. If we are unable to anticipate and respond to changes in fashion trends and changing customer preferences in a timely and effective manner, the demand for our products may decline, which may have an adverse effect on our business, results of operations and prospects.

Our business is characterized by rapidly changing customer preferences. Our results of operations are dependent on our ability to anticipate, gauge and respond to such changes in customer preferences and design new products or modify our existing products in line with changes in fashion trends as well as customer demands and preferences. If we are unable to anticipate, gauge and respond to changing customer preferences or fashion trends, or if we are unable to adapt to such changes by modifying our existing products or launch new products on a timely basis, we may lose, or fail to attract customers, our inventory may become obsolete and we may be subject to pricing pressure to sell our inventory at a discount. A decline in demand for our products or a misjudgement on our part could lead to lower sales, excess inventories and higher markdowns, each of which may have an adverse effect on our results of operations and financial condition. We are also to a large extent dependent on functional experts such as designers, buyers and analysts who can identify and predict the emerging trends based on analysis of customer preferences.

Typically, we keep inventory relating to a particular season at our stores and thereafter try to liquidate any unsold inventory during end of season sales. However, we face a risk of changing fashion trends and consumer preferences in India, which may result in unsold inventory being left for longer durations. We cannot assure you that we will be able to completely dispose such unsold inventory profitably, or at all. Further, any mismatch between our forecasts, our planning and the actual purchase by customers can impact us adversely, leading to excess inventory and requiring us to resort to higher markdown and thus lower margins in order to clear such inventory.

In addition, our process for designing our products is a key aspect of our operations for which we rely heavily on data analysis and the study of fashion trends to introduce new and original concepts. We cannot assure you that our current portfolio of designs and any products we launch, will always be well received by our customers, or that we will be able to recover costs we incurred in designing and developing such products. If the products that we launch are not as successful as we anticipate, our business, results of operations and prospects may be adversely affected.

6. We rely on limited third party suppliers for sourcing our products. Any failure arising from the non-performance of our suppliers or under-performance by such suppliers could adversely impact our reputation, business, financial condition, cash flows and results of operations.

We do not manufacture any products we sell. The products sold by us at our stores are sourced from a wide variety of suppliers. We face significant challenges in finding qualified suppliers who conduct timely delivery of quality merchandise. In Fiscal 2020 and the nine months ended December 31, 2020, 41.89% and 42.76% of our total purchase of traded goods is attributable to our top ten suppliers in such period, respectively. Any delay or failure on the part of our suppliers to deliver products in a timely manner or to meet our quality standards, or any litigation involving such third parties, may also materially and adversely affect our business, profitability and reputation. The deterioration of the financial condition or business prospects of these suppliers could reduce their ability to meet our requirements and accordingly result in a significant decrease in our revenues. Certain factors affecting suppliers and thereby impeding our access to products are political and economic instability in India or political instability in certain states of India in which our suppliers are located, the financial instability of the suppliers, labour problems experienced by our suppliers, the availability of raw materials to the suppliers, merchandise quality issues, transport availability and cost, transport security, inflation, and other factors.

The operations of our suppliers are further subject to various operating risks, including breakdowns and failure of equipment, industrial accidents, employee unrest, severe weather conditions, natural disasters etc. For instance, COVID-19 has impacted our suppliers in view of the nationwide lockdown imposed by the Government of India and their operations being focused on fixed cost model. These factors may result in delay of products and may affect the quality of the products. In such cases, we may face challenges in substituting existing with new suppliers at short notice. Further, the violation of or any suspected violation of labour laws or other applicable regulations by our suppliers, could also have an adverse effect on our business.

7. If we are unable to continue to provide value retailing at low prices, we risk losing our advantage and a substantial portion of our customers which will adversely affect our business, financial condition and results of operations.

One of our key strengths has been our ability to offer our customers value-retailing and low prices. This has been possible in part due to our sourcing capabilities, sustained supplier relationships and pricing strategies. While we have managed to grow our customer base in the past, there can be no assurance that our target customer base will not develop a preference for the promotion model and be attracted to promotional deals offered by our competitors.

Moreover, our competitors, particularly the unorganised retailers, may have locational advantage in specific markets. They may also have diversified their presence in more geographical areas and may therefore be in a better position to consolidate their market share.

Our ability to maintain and enhance our competitiveness through our pricing strategy may have a direct effect on our business, financial condition and results of operations. There can be no assurance that shortages and price hikes will not take place in the future. If we are unable to maintain our pricing competitiveness and are not able to effectively respond to competition from existing retailers and prospective entrants and consequent pricing pressures, it will adversely affect our business, financial condition and results of operations.

8. If we are unable to effectively implement our business and growth strategies, our results of operations may be adversely affected.

We operate through a network of 274 stores across India as of December 31, 2020. Our growth strategy includes expanding our business in new geographical areas in order to enter newer and untapped markets. The growth in the number of our stores is evident in that we had opened 63 stores across 10 states as on March 31, 2013, which had increased to 123 stores across 14 states as on March 31, 2016. As on December 31, 2020, our Company had opened a total of 274 stores across 19 states in India. Further, in the Fiscal 2020 and in the nine months ended December 31, 2020, we added 52 and 8 new stores (net of closure), respectively, in 24 new cities and 19 cities where we have existing stores. For further details, see "*Our Business*" on page 167. Expansion into geographic regions will subject us to various challenges associated with establishing and conducting operations, including:

- achieving anticipated levels of patronage for new stores;
- hire, train and retain qualified store managers and sales people;
- compliance with local laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- lack of brand recognition and ability to understand consumer preferences and local trends in such new regions;
- uncertainty with new local business partners;
- identify and obtain suitable store locations and negotiate acceptable leases for these locations;
- manage and expand our backend infrastructure to accommodate growth;
- government development or construction plans around our planned sites which could have an impact on the external traffic flow to our stores, if any.

Our location strategy is to expand the store presence in clusters within our existing geographies. Further, the success of the operation of our new stores may be affected by various challenges, including:

- our ability to successfully integrate the new stores with our existing operations and achieve related synergies;

- manage inventory effectively to meet the needs of new and existing stores on a timely basis;
- economic slowdown in a particular area or city/region;
- competition from incumbent and new retailers selling similar apparels in the region;
- changing consumer demographics and lifestyle choices in a particular market;
- our ability to position our new stores to successfully establish a foothold in new markets and to execute our business strategy in new markets;
- our ability to negotiate and obtain favourable terms from our suppliers;
- the effectiveness of our marketing campaigns;
- our ability to hire, train and retain skilled personnel;
- the competition that we face from incumbent and new retailers in the region; and
- any government development or construction plans around our planned sites which could have an impact on the external traffic flow to our stores and the timely implementation of such changes.

Our plans to expand our store base may not be successful and the implementation of these plans may not result in an increase in our revenues even though they increase our costs. Additionally, new stores that we open may place increased demands on our existing financial, operational, managerial and administrative resources, which could cause us to operate less effectively. Our new stores may not be immediately profitable and, as such, we may incur losses until these stores become profitable. While we have closed some of our stores due to commercial considerations in the past, if any of our new stores do not break even or achieve the expected level of profitability within our expected timeframe, or at all, our expansion plans and our results of operations, cash flows, financial condition and profitability may be materially and adversely affected and we may decide to close some of our stores. Further, if we are forced to close any of our stores, including stores that may be profitable, we may not be able to realise our investment cost since our stores are custom-built for our business. Furthermore, setting up of new stores can also be subject to schedule overrun beyond our control, which can both lead to additional costs and loss of time. Any failure to successfully open and operate new stores would adversely affect our results of operations. Further, in the event our stores do not meet the performance expectations, it may result in closure of such stores.

Our growth strategy also includes digital transformation for our business. For further details, see "*Our Business*" on page 167. In the event, we are not able to transform our business in the digitised world, it may have an adverse effect on our business. Our historic growth rates or results of operations are not indicative of or reliable indicators of our future performance.

While we intend to continue to expand our operations, we may not be able to sustain historic growth levels and may not be able to leverage our experience in our existing markets in order to grow our business in new markets. In addition to the above-mentioned challenges, our growth strategy will also place significant demands on our management, financial and other resources and may require us to incur further indebtedness. We cannot assure you that we will be able to execute our growth strategies in a timely manner or within estimated budget. Our inability to properly manage our growth may have an adverse effect on our business, results of operations and financial condition.

9. We do not have definitive agreements with most of our suppliers. Failure to successfully leverage our supplier relationships and network or to identify new suppliers could adversely affect us.

One of the prime reasons we are able to offer value retailing to our customers is our strong relationships with our suppliers. Our growth as a business depends on our ability to attract and retain high quality and cost efficient suppliers to our network. For additional information regarding our supplier relationships, see "*Our Business*" beginning on page 167. In order to maintain flexibility in procurement options, we do not have any long-term supply arrangements with most of our suppliers and we procure our products on a purchase order basis, which contains the basic terms and conditions applicable to our purchases. If we are unable to continue to procure supplies at competitive prices, our business will be adversely affected.

Furthermore, the success of our supplier relationships depends significantly on satisfactory performance by our suppliers and their fulfillment of their obligations. If any of our suppliers fails for any reason to deliver the products in a timely manner or at all, it may affect our ability to manage our inventory levels, which in turn, may result in unavailability of the product thereby adversely affecting our customer shopping experience and our reputation. While we intend to continue to enter into new supplier relationships as a part of our business strategy, we may not be able to identify or conclude appropriate or viable arrangements in a timely manner or at all. Further, there can be no assurance that our relationships with new suppliers in the future will necessarily contribute to a better experience for our customers or to our profitability. If we fail to successfully leverage our existing and new relationships with suppliers, our business and financial performance could be adversely affected.

10. Our inability to maintain an optimal level of inventory in our stores may impact our operations adversely.

We estimate our sales based on the forecast, demand and requirements for the forthcoming season. In general, the orders are placed a few months before the actual delivery of products in the stores. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a full range of products at our stores. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts, or natural conditions such as crop disease, pests or soil erosion, may adversely impact the supply of fresh products and local transportation. Should our supply of products be disrupted, we may not be able to procure an alternate source of supply of products in time to meet the demands of our customers, or we may not be able to procure products of equal quality or on equally competitive terms, or at all. Such disruption to supply would materially and adversely affect our business, profitability and reputation. In addition, disruptions to the delivery of products to our stores may occur for reasons such as poor handling, transportation bottlenecks, or labour strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of these products.

Although there are processes and controls set in place to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. For instance, our Company had higher inventory days, particular during the first quarter of the current fiscal, as a consequence of COVID-19 and related actions taken by the Government. If we over-stock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer consumption could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation.

11. Any deterioration in the public perception of our brands and the other private brands of products sold by us or failure to adequately protect our intellectual property rights could affect our customer footfall at stores and can materially and adversely impact our reputation, business, financial condition, cash flows and results of operations.

Our ability to attract and retain customers is dependent upon public perception and recognition of the quality associated with the products sold by us. Creating and maintaining public awareness of our brand is crucial to our business and we accordingly invest in various marketing and advertising campaigns. There can be no assurances that we will be able to sustain optimal levels of marketing, advertising and branding initiatives in the future. Maintaining and enhancing our brands may require us to make substantial investments in the areas such as outlet operations, marketing and employee training, and these investments may not be successful. Although we constantly evaluate business opportunities, this is a dynamic process and therefore subject to change on the basis of various parameters and there can be no assurance that we will be able to do this successfully. We anticipate that as our business expands into new markets and as our markets become increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. If we are unable to enhance the visibility of our brands, it would have an adverse effect on our business, reputation and our financial condition.

Further, since our customers rely on us for the quality of our products, we could suffer reputational damage if there are any quality concerns regarding the products we sold. Any loss of confidence on the part of our customers would be difficult and costly to re-establish. The public perception of our brands and the other private brands sold by us may also be affected by several other factors, such as:

- Decline in the quality of merchandise from our suppliers;
- Occurrence of accidents or injuries, natural disasters, crime or similar events at our stores;
- Competition;
- Negative reviews of our store and/or brands;
- Any dissatisfaction amongst our channel partners and suppliers; and
- Failure to protect intellectual property leading to counterfeit products and merchandise being sold.

If the perceived quality of our brands or the brands sold by us decline, or if our reputation is damaged, our business, financial condition, cash flows and results of operations could be adversely affected. Our failure to adequately protect our intellectual property rights could diminish the value of our brand and reduce demand for our merchandise. Maintaining and enhancing our brands may require us to make substantial investments in areas such as outlet operations, employee training, marketing and advertising, and these investments may not be successful. If our marketing and advertising campaigns are poorly executed, or customers lose confidence in our brand for any reason, it could harm our ability to attract and retain customers. The unauthorized reproduction or other misappropriation of our trademark would diminish the value of our brand, which could reduce demand for our products or the prices at which we can sell our products.

12. The use of "V-Mart" or similar trade names by third parties may result in loss of business to such third parties, and any potential negative publicity relating to such third parties may adversely affect our reputation, the goodwill of our brand and business prospects.

We believe our success depends on our brand image. We believe that our trademarks and other proprietary rights have significant value and are important to identifying and differentiating our products from those of our competitors and creating and sustaining demand for our products. We are aware of other entities that are using "*V-Mart*" or similar trade names. The use of similar trade names by third parties may result in confusion among customers and loss of business. In addition, any adverse experience of customers of such third parties, or negative publicity attracted by such third parties could adversely affect our reputation and brand and business prospects.

We cannot assure you that the steps taken by us to protect our intellectual property rights will be adequate to prevent infringement of such rights by others, including imitation of our products and misappropriation of our brand. Additionally, we cannot assure you that obstacles will not arise as we expand our product line and the geographic scope of our sales and marketing. Third parties may assert intellectual property claims against us, particularly as we expand our business and the number of products we offer. Our defense of any claim, regardless of its merit, could be expensive and time consuming and could divert management resources. Successful infringement claims against us could result in significant monetary liability or prevent us from selling some of our products. In addition, resolution of claims may require us to redesign our products, license rights from third parties or cease using those rights altogether. Any of these events could harm our business and cause our results of operations, liquidity and financial condition to suffer.

13. Any failure in our quality control processes undertaken with respect to our products may have an adverse effect on our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.

Our products may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from the design or manufacture of the product or raw materials used in the product. We are also exposed to the risk of our suppliers failing to adhere to the standards set for them by us and the concerned statutory bodies with respect to quality, quantum of production, safety and distribution, which in turn could adversely affect our sales and reputation. We have an in-house quality control team to verify the quality of the merchandise received from the suppliers. However, we cannot assure you that our quality control processes will not fail or the quality tests and inspections conducted by us are accurate at all times.

Further, concerns regarding the quality of products sourced from our suppliers and offered at our stores or the quality of our supply chain could cause customers to avoid purchasing certain products from us, or to seek alternative sources, even if the basis for the concern is outside our control or unfounded. In the event the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products, we may be required to recall or exchange such products at additional cost to us and our reputation may be impacted, which in turn may adversely affect our business, results of operations and financial condition.
Adverse publicity about these concerns, whether or not based on fact, and whether or not involving products sold at our stores, could discourage customers from buying our products and materially and adversely affect our cash flows and results of operations. Further, any lost confidence on the part of our customers due to failure of our suppliers to adhere to required quality standards could adversely affect our financial performance. We have, from time to time, exchanged products sold to our customers due to quality defects, or otherwise, in accordance with our exchange and returns policy.

We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

14. Our stores are concentrated mainly in the northern parts of India, and we generated a majority of our sales from our stores in Uttar Pradesh and any adverse developments affecting our operations in this state could have an adverse impact on our revenue and results of operations.

For the year ended March 31, 2020, our stores in Uttar Pradesh contributed to 44.46% of our total revenue. We may continue to open more stores in Uttar Pradesh. Existing and potential competitors to our businesses may increase their focus on this state, which could reduce our market share. For example, our competitors may intensify their efforts in this state to capture a larger market share by launching aggressive promotional campaigns. The concentration of our operations in this part of India heightens our exposure to adverse developments related to competition, as well as economic, political, demographic and other changes, which may adversely affect our business prospects, financial conditions and results of operations. Any adverse development that affects the performance of the stores or distribution centres located in this state could have a material adverse effect on our business, financial condition and results of operations. Our past store sales may not be comparable to or indicative of future sales.

Additionally, while opening new stores, we consciously follow a cluster-based approach which leads to concentration of our business in a relatively small area rather than a widespread presence. More than one store located close to each other in a cluster may lead to each such store eating into the sales of the other stores in the cluster leading to falling sales in each of such stores.

If our cluster based approach fails or leads to reduction of individual store sales due to overcrowding in a small area, it may lead to lower revenues which could have a material adverse effect on our business, financial condition and results of operations.

15. Losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.

Our business and the industry we operate in are vulnerable to the problem of shoplifting by customers, pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. The retail industry also typically encounters some inventory loss on account of employee theft, shoplifting, supplier fraud, credit card fraud and general administrative error. Any increase in product losses due to such factors at our existing and future stores or our retail channels may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses.

Our business operations also involve a significant number of cash transactions. Although we have set up various security measures, we have in the past experienced such incidents. An increase in product shrinkage levels at our existing and future stores or our distribution centres may force us to install additional security and surveillance equipment, which will increase our operational costs and may have an adverse impact on our profitability. Further, we cannot assure you whether these measures will successfully prevent product shrinkage. Furthermore, although we have cash management procedures and controls in place, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash from our stores to banks. Finally, there have been instances of employee dishonesty in the past and we cannot assure you that we will always be able to completely prevent such incidents in the future. For further details, see "*Legal Proceedings*" on page 245. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

16. Quality and consistency in customer service at our stores are critical for our success and any failure in this respect could materially and adversely impact our reputation, business, financial condition, cash flows and results of operations.

Our business is manpower intensive and the success of our business also depends on maintaining high standards of customer service in our stores. This is dependent on our ability to hire and retain the right persons, train them in the implementation of our processes effectively, monitor them continuously on key service parameters and guide them regularly.

We cannot assure you that we will be able to recruit and retain the right personnel and functional experts or will be successful in delivering consistent services. If customer service at our stores deteriorates, our reputation might suffer resulting in a decrease in sales, which could materially and adversely affect our financial condition, cash flows and results of operations.

17. If we are unable to obtain the requisite approvals, licenses, registrations or permits to operate our business or are unable to renew them in a timely manner, our business or results of operations may be adversely affected.

We are governed by various laws and regulations for carrying out our business activities. We are required to obtain the shops and establishment registration certificate in relation to our stores, offices and warehouse under the applicable state legislations. Further, we are required to obtain *inter alia* licenses for our trade licenses and pay stamp duty and obtain registration for property and other agreements, as applicable, in relation to our stores, offices and warehouse. We are also required to comply with the provisions of the Legal Metrology Act, 2009. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals, consents and permits at the local, state and central government levels for undertaking our business. In addition, there may be certain licenses and approvals that may be required to be obtained by the owners of the properties leased by us, in respect of such properties. We cannot assure that the owners of these properties apply for, whether fresh or renewal of, all such licenses and approvals in a timely manner or at all.

We also may need to apply for additional approvals, including the renewal of approvals which may expire from time to time and approvals required for our operations, in the ordinary course of business. We cannot assure you that we will be able to timely apply for, whether fresh or renewal, all approvals, consents, permits, registrations and clearances required for undertaking our business from time to time. Further, there can be no assurance that the relevant authorities will issue such approvals in the time-frame anticipated by us or at all. In addition, there are certain approvals that are in the process of renewed / applied for, or are yet to be obtained, including no-objection certificates issued by the relevant fire safety department. In respect of certain of these instances, we have also received notices from such fire safety departments and are currently in the process of responding to the same. For further details, see "*Legal Proceedings*" on page 245. There is no assurance that the Government may not implement new regulations which will require us to obtain approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations.

We may also be unable to fulfil the terms and conditions to which such approvals, licenses, registrations, consents and permits are granted. Furthermore, we cannot assure you that the approvals, licenses, registrations, consents and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action, and we may be subject to penalty and other statutory and regulatory actions, which may have a material adverse effect on our business and operations, financial condition, cash flows and results of operations.

In the event we are not able to obtain such approvals, licenses and registrations or pay adequate stamp duty, our business and growth strategy may be adversely impacted. Failure by us to comply with the terms and conditions to which such licenses, approvals, permits or registrations are subject, and/or to renew, maintain or obtain the required licenses, approvals, permits or registrations may result in cost and time overrun, imposition of penalties, interruption of our operations and may have a material adverse effect on our business, cash flows financial condition and results of operations.

18. If we are unable to attract purchases from new and existing customers, our business, financial condition and results of operations may be materially and adversely affected.

Our future growth depends on our ability to continue to attract purchases from new customers and existing customers. Our repeat sales contributed 46.00%, 52.00%, 58.00% and 72.79% to our total revenue, during the Fiscals 2018, 2019 and 2020 and nine months ended December 31, 2020. Further, as on March 31, 2020, and the nine months ended December 31, 2020, we had a total of 48.36 lakh and 47.54 lakh repeat customers, respectively. However, our consumer engagement efforts may not continue to be as effective as we anticipate. In addition, competition for customers has intensified as competitors have moved into, or increased their presence in, our geographic markets. In addition, the use of mobile and web-based technology that facilitates online shopping and real-time product and price comparisons will also increase the competition. We expect this competition to continue to increase. Our competitors may offer promotions or loyalty program incentives that could attract consumers who purchases our products or divide their loyalty among several retailers. If we are unable to retain the loyalty of existing customers and attract new customers, our revenues could decrease and we may not be able to expand our business as planned, which could have a material adverse effect on our business, financial condition and results of operations.

19. We use relevant technology for our operations and our inability to upgrade such technology from time to time could adversely affect our operations.

We make use of digital platforms and analytics and are extending the reach of our products and brands through omnichannel platforms. Further, we use relevant technology for supporting our operations, including property management, procurement, and customer amenities. For instance, we use ERP software called '*Ginesys'*, which provides us with seamless flow of information from the point of procurement, inventory management, multi-store distribution, sales and financial transactions. It also assists us in mapping inventory levels at regular intervals, tracking and measuring sales, generating merchandise and replenishment plans as well as in financial and accounting activities. In addition, we use a software "*Oracle Discovere*r" which is an efficient tool for comprehensive analysis of the data pertaining to the operations of the Company which enables our management to exercise control over our stores, supply chain and financial management. For further details, see "*Our Business – Information Technology*" on page 180. Our ability to operate seamlessly depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis. These technologies may undergo enhancements from time to time and our inability to maintain or upgrade the technologies used by us for operations, could materially and adversely affect our operations.

Our Company's information technology systems may not always operate without interruption and may encounter temporary abnormality or become obsolete, which may affect its ability to maintain connectivity with our stores and our central warehouse. We cannot assure that we will always be successful in developing, installing, running and migrating to new software systems or systems as required for its overall operations. Even if we are successful in this regard, significant capital expenditures may be required, and it may not be able to benefit from the investment immediately. All of these may also have an adverse impact on our operations and profitability. Further, the increasing cyber-attacks, the threat of unauthorised access, privacy breach and the possibility of misuse of sensitive information or operational disruption continuously poses threat to information and cyber security. Lapses in managing these threats could inhibit the business operations and may also lead to data leakage and loss of sensitive data.

One of our strategic priorities is to further develop an omni-channel shopping experience for our customers through the integration of our store and digital shopping channels. These initiatives involve significant investments in IT systems and significant operational changes. In addition, our competitors are also investing in omni-channel initiatives, some of which may be more successful than our initiatives. If the implementation of our customer, digital, and omni-channel initiatives is not successful, or we do not realize the return on our investments in these initiatives that we anticipate, our operating results would be adversely affected.

20. Our business plans incur significant expenditure for its expansion activities and in relation to the growth of our business and any inability to obtain necessary funds may impact such opportunities and our business in the future.

We incur growth based capital expenditure for instance, operating and setting up stores, enhancement of technology, creating and maintaining digital channels for sales, branding and advertisements require capital expenditure. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes etc.

If the funding requirements of a particular business growth plan increase, we will need to look for additional sources of finance, which may not be readily available, or may not be available on high commercial terms, which may have an adverse effect on the profitability of that project. Our ability to finance our capital expenditure plans is also subject to a number of risks, contingencies and other factors, some of which are beyond our control, borrowing or lending restrictions, if any, imposed by applicable government regulations, and general economic and capital market conditions.

Any significant change in the contemplated financial requirements may have an adverse effect on our cash flows, financial condition and results of operations. We cannot assure that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our business operations and future prospects.

21. If we fail to successfully implement our e-commerce initiative, our business and results of operations could be adversely impacted.

The retail industry continues to rapidly evolve and customers increasingly embrace e-commerce. As a result, the portion of total customers' expenditures with retailers occurring through e-commerce platforms is increasing. We are in the process of implementing our e-commerce initiative to capture additional customer base and provide our existing customers a new shopping experience. Our e-commerce initiative currently includes the recently online platform provided through our website and our mobile application for sale of our products from certain of our stores. To advance our e-commerce initiatives, we may also need to cooperate with other retail platforms and leverage our vast network of stores to provide consumers with seamless omni-channel shopping experience. We cannot assure you that we will be able to make, improve, or develop attractive, user-friendly and secure online sales channels that offer a wide assortment of products at affordable prices with rapid and low-cost delivery options. We may also not be able to continually meet the changing expectations of online shoppers, developments in online and digital platform merchandising and related technology. All of these could place us at a competitive disadvantage, result in the loss of e-commerce and other sales, harm our reputation, and have an adverse impact on the growth of our e-commerce business, reputation and results of operations.

In addition, if our e-commerce channels or our other client-facing technology systems do not function as designed or experience cyber-attacks, we may experience a loss of consumer confidence, data security breaches, lost sales, or be exposed to fraudulent purchases, any of which could adversely affect our business, reputation and results of operations.

22. Unreasonable fluctuations in the price, availability and quality of raw materials to our suppliers could cause material production delays or materially increase our cost of sales.

The success of our business depends in part on the ability of our suppliers to timely obtain sufficient quantities of the necessary raw materials, of sufficient quality, at commercially acceptable prices to process and manufacture our products. Generally, unreasonable fluctuations in price, quality, or availability of necessary raw materials could have a negative effect on our gross profit margins and our ability to deliver our products to the market in a timely manner. If supplies of the necessary raw materials substantially decrease or if there are significant increases in prices of such raw materials, our suppliers may incur additional costs to acquire sufficient quantities of these materials in order to maintain our product offering schedules.

We may have to increase the retail prices of our products due to the increase in their procurement prices. Moreover, increases in wages and labor costs may also lead to material increases in our cost of sales, thereby decreasing our gross profit margins. Any of the above may materially and adversely harm our business, brand image, financial condition, results of operations or reputation.

23. We depend on third parties for our logistics and transportation needs. Any disruptions in the same may adversely affect our operations, business, cash flows and financial condition.

We rely on third party transportation and other logistic facilities (in addition to our in-house transportation facilities) for transportation of our products from our warehouse to various stores. We have entered into agreements with third party transport service providers and rely on them for supply of goods. Although we have insurance for transit of goods, and typically our transportation agreements have provision for damages, since the cost of our goods carried by third party transporters is typically much higher than the consideration paid for transportation, it may be difficult for us to recover damages for damaged, delayed or lost goods.

Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, transportation strikes and lock-outs, shortage of labour, delays and disruption of transportation services for events such as weather related problems and accidents. If we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations and financial condition may be adversely affected. Further, movement of goods encounters additional risks such as accidents, pilferage, and our inability to claim insurance may adversely affect our operations, results of operations and financial condition. Although we have not experienced any material logistics and transport related disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may not be cost-effective, thereby adversely affecting our operations, results of operations, cash flows and financial condition.

24. Our business is subject to seasonal and cyclical volatility.

We offer products at our stores that our consumers require and our success is dependent on our ability to meet our consumers' requirements. The retail consumer spending is heavily dependent on the economy and, to a large extent, on various occasions such as festivals, seasonal changes, weddings, etc. Any year also has phases of lean sales. These seasonal variations in consumer demand subject our sector to a considerable degree of volatility.

As a result, our revenue and profits may vary during different quarters of the financial year and certain periods may not be indicative of our financial position for a full financial year or future quarters or periods and may be below market expectations. Further, any unanticipated decrease in demand for our products during our peak selling season could result into higher closing inventory position, which may lead to sale and liquidation of inventory getting delayed against the trajectory under normal course of business, which could adversely affect our financial position and business operations.

Fluctuations in the apparel retail market affect the inventory owned by apparel retailers, since merchandise usually must be manufactured in advance of the season and frequently before fashion trends are evidenced by customer purchases. In addition, the cyclical nature of the retail apparel business requires us to carry a significant amount of inventory, especially prior to peak selling seasons when we build up our inventory levels. As a result, we will be vulnerable to demand and pricing shifts and to suboptimal selection and timing of merchandise production. If sales do not meet expectations, too much inventory may lower planned margins. Our brand image may also suffer if customers believe we are no longer able to offer the latest fashion. The occurrence of these events could adversely affect our cash flows, financial condition and business operations.

25. Any failure or material weakness of our internal controls system could cause operational errors or incidents of fraud, which would materially and adversely affect our profitability and reputation.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Internal control systems comprising policies and procedures are designed to ensure sound management of our operations, safekeeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance. The systems and procedures are periodically reviewed and routinely tested and cover all functions and business areas.

While we believe that we have adequate controls, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. We face operational risks in our business and there may be losses due to failures or inadequacies of our internal controls systems.

Failures or material weaknesses in internal controls may also lead to incidents of fraud. Given the nature of the business of our business, we may be subject to day to day theft, incidents of fraud and cheating. There can also be no assurance that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our reputation, business, results of operations, cash flows and financial condition.

26. Failure to successfully develop and manage new store design concepts could adversely affect our results of operations.

The introduction and growth or maintenance of new store design concepts as part of our overall growth and productivity strategies could strain our financial and management resources and is subject to a number of other risks, including customer acceptance, product differentiation, competition and maintaining desirable locations. These risks may be compounded during difficult economic climates or any future economic downturn. There can be no assurance that new store designs will achieve or maintain sales and profitability levels that justify the required investments. If we are unable to successfully develop new store designs, or if consumers are not receptive to the products, design layout, or visual merchandising, our results of operations and financial results could be adversely affected. In addition, the failure of new store designs to achieve acceptable results could lead to unplanned store closures and/or impairment and other charges, which could adversely affect our results of operations and ability to grow.

27. ***We are dependent on our key personnel, including our business heads, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

Our performance depends largely on the efforts and abilities of our Promoters and our Managing Director, members of our business team and other key personnel. We believe that the inputs and experience of our key personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation and provide bonuses and perquisites more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons, and the inability to find suitable replacements in a timely manner, may have an adverse effect on our business and our results of operations.

The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations and financial condition.

28. ***If any new products or brands, including under our existing products verticals, that we launch are not as successful as we anticipate, our business, results of operations and financial condition may be adversely affected.***

We intend to develop additional products and further expand our product offerings under our apparel vertical for women. We may launch additional brands in the future across product categories, in order to effectively market such products. However, we cannot assure you that any new products or brands launched by us will be accepted by our customers or retail partners, or that we will be able to recover costs we incurred in developing such products and brands, or that our new products and brands will be successful. If the products and brands that we launch are not as successful as we anticipate, our image may be tarnished and our business, results of operations and financial condition may be adversely affected. Further, such expanded product offerings place a strain on our management, operational and financial resources, as well as our information systems.

Furthermore, we may not have much purchasing power in new categories of products and we may not be able to negotiate favorable terms with suppliers. We may need to price aggressively to gain market share or remain competitive in new product categories. It may be difficult for us to achieve profitability in the new product categories and our profit margin, if any, may be lower than we anticipate, which would adversely affect our overall profitability and results of operations. We cannot assure you that we will be able to recoup our investments in introducing these new product categories.

29. ***Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

We believe our employees and personnel, including personnel at our stores are critical to maintain our competitive position. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work or our retail operations due to disputes or other problems with our workforce, which may adversely affect our ability to continue our business operations. Although we have not experienced any significant instances of labour unrest in the past, any labour unrest directed against us in the future, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

30. ***We have incurred indebtedness and are required to comply with certain covenants based on documentation entered into with the lenders. Our inability to meet our obligations, including financial and other covenants, under our financing arrangements could adversely affect our business, results of operations, financial condition and cash flows. Further, the terms of our financing arrangements contain various covenants that may limit our business activities.***

The terms of our financing arrangements contain, and our future indebtedness may contain, various restrictive covenants that limit our management's discretion in operating our business. In particular, these agreements include, or may include, covenants relating to limitations on amendment of memorandum of association or articles of association, change in board composition resulting in change of control and reduction of share capital. In addition, our financing arrangements require us to comply with certain financial covenants as well as information covenants. Such restrictions could limit our ability to respond to market conditions, to provide for unanticipated capital investments or to take advantage of business or acquisition opportunities. Compliance with these covenants may prevent us from pursuing opportunities that we believe would benefit our business, including opportunities that we might pursue as part of our plans to expand our store base, our product offerings and sales channels.

Some of our financing agreements may also contain cross-default clauses, which are triggered in the event of default by our Company under the respective financing agreements. Our failure to meet our debt service obligations and observe covenants under our financing agreements including restrictive covenants, obtaining necessary consents required thereunder, will trigger events of default, which may lead to the termination of our facilities, levy of default interest, acceleration of the maturity of our obligations and the enforcement of any security provided in relation thereto, which could have an adverse effect on our business, results of operations, cash flows and financial condition. Our future borrowings may also contain similar restrictive provisions. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings.

31. ***Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations, cash flows and financial condition.***

The cost and availability of capital depends in part on our credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows. It could also increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations, cash flows and financial condition.

32. ***Our insurance coverage may not be adequate to protect us against all potential losses, which may have an adverse effect on our business, financial condition, cash flows and results of operations.***

Our operations are subject to various risks inherent in the sectors in which we operate, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. We maintain insurance over our property and stores for standard perils including fire and burglary. We also have terrorism, transit and transporters policy. With respect to losses which are covered by our policies, it may be difficult and may take us time to recover such losses from insurers.

In addition, we may not be able to recover the full amount from the insurer. We may not have identified every risk and further may not be insured against every risk, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate, could materially harm our cash flows, financial condition and future results of operations. There can be no assurance that any claims filed will be honoured fully or at all or timely under our insurance policies. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected. There can be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims. A successful enforcement of one or more claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

33. Our business is manpower intensive and our business may be adversely affected if we are unable to obtain employees on contract or at commercially attractive costs.

Our success depends on our ability to attract, hire, train and retain skilled customer and sales personnel. In the retail industry, the level and quality of sales personnel and customer service are key competitive factors and an inability to recruit, train and retain suitably qualified and skilled sales personnel could adversely impact our reputation, business prospects and results of operations.

Our business is manpower intensive and our continued growth depends in part on our ability to recruit and retain suitable staff. As we expand our network, we will need experienced manpower that has knowledge of the local market and the retail industry to operate our stores. Typically, the retail industry suffers from high attrition rates especially at the store level. We have faced increasing competition for management and skilled personnel with significant knowledge and experience in the retail sector in India. There can be no assurance that attrition rates for our employees, particularly our sales personnel, will not increase. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to operate our stores in our existing markets or new markets that we are entering into. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected.

An increase in manpower costs in India may have a direct impact on our employee costs and consequently, on our margins. Further, the minimum wage laws in India may be amended leading to upward revisions in the minimum wages payable in one or more states in which we currently operate or are planning to expand to. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase.

34. We may be unable to enforce our rights under some of our agreements with counterparties on account of insufficient stamping and non-registration or other reasons.

We enter into agreements with third parties, in relation to lease of retail space for our stores. The terms, tenure and the nature of the agreements may vary depending on, amongst other things, the subject matter of the agreement and the third party involved. Some of the agreements executed by us may be inadequately stamped or not registered or may not otherwise be enforceable. Further, in certain instances, some of the counter parties to such agreements may not be willing to bear the cost of the stamp duty and registration fees. Inadequately stamped documents may be impounded by the appropriate authority. Such inadequately stamped or not registered documents may not be admissible in evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could, therefore, impact our ability to enforce our rights under the agreements in a timely manner or at all.

Further there can be no assurance that we will be able to enforce our rights under these arrangements. We cannot assure you that we would be able to enforce our rights under such agreements or in respect of such immovable properties, and any inability to do so, could impair our operations and adversely affect our financial condition, cash flows and results of operation.

35. Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition.

We have not declared dividend for the last fiscal. The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

36. Our Company has applied for registration of certain trademarks in its name. Until such registrations are granted, we may not be able to prevent unauthorised use of such trademarks by third parties, which may lead to the dilution of our goodwill.

We have filed applications for registration of certain trademarks, under the Trade Marks Act, 1999, which is currently pending approval from the Registrar of Trademarks. There can be no assurance that our trademark applications will be accepted and the trademarks will be registered. Pending the registration of these trademarks we may have a lesser recourse to initiate legal proceedings to protect our private labels. Further, some of our applications for the registration of certain trademarks have been opposed by third parties, and we may have to incur significant cost in relation to these oppositions. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of any of our trademarks for which we have applied for registration, we may not be able to avail the legal protection or prevent unauthorised use of such trademarks by third parties, which may adversely affect our goodwill and business.

37. We have significant power requirements for continuous running of our operations and business. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an adverse effect on our business, results of operations, cash flows and financial condition.

Our stores have significant electricity requirements and any interruption in power supply to our stores or distribution centres may disrupt our operations. Any significant hike in power tariffs and/or disruption in operations may have an adverse effect on our business, results of operations, cash flows and financial condition. We depend on third parties for our power requirements. Further, we have limited options in relation to maintenance of power back-ups such as diesel generator sets and any increase in diesel prices will increase our operating expenses which may adversely impact our business margins. Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost of our stores and distribution centres. In the majority of the markets we operate in, there are a limited number of electricity providers due to which in case of a price hike we may not be able to find a cost-effective substitute, which may negatively affect our business, results of operation, cash flows and financial condition.

38. Our statutory auditors have included certain matters of emphasis in the audit reports on the Audited Financial Statements for Fiscal 2020, and in the review report on the Unaudited Condensed Interim Financial Statements for the nine months ended December 31, 2020.

Our Statutory Auditors have included matters of emphasis in their reports on Audited Financial Statements for Fiscal 2020, and the Unaudited Condensed Interim Financial Statements in relation to the management's assessment of the impact of the COVID-19 pandemic on the operations and financial results of our Company for Fiscal 2020 and for the nine months ended December 31, 2020. For details, see "*Financial Information*" on page 254. Further, our Statutory Auditors have included a statement on certain matters specified in the Companies (Auditors Report) Order, 2016 in their reports on Audited Financial Statements for Fiscal 2020 and 2019, which was modified to indicate that (a) there have been slight delays in deposit of statutory dues with the appropriate authorities; and (b) certain outstanding dues related to income tax, value added tax and service tax which were not deposited on account of disputes. There can be no assurance that our auditors' reports for any future Fiscals will not contain qualifications or matters of emphasis or that such matters of emphasis will not affect our results of operations and financial condition in such future fiscal periods.

39. Our contingent liabilities that have not been provided for could adversely affect our business, cash flows, financial condition and results of operations.

We may have contingent liabilities from time to time. Our contingent liabilities, as disclosed under Ind AS 37, were ₹ 742.92 lakhs as of December 31, 2020. These comprised the following:

Particulars	As of December 31, 2020
	(₹ lakhs)
Income tax	74.97
Value added tax	435.56
Service tax	30.33
Payment of Bonus (Amendment) Act, 2015	107.61
Minimum Wages Act, 1948	94.45
Total Contingent Liabilities	**742.92**

For information in relation to past contingent liabilities as disclosed under Ind AS 37 in our Audited Financial Statements, see "*Financial Information*" on page 254.

There can be no assurance that any or all of these contingent liabilities will not become direct liabilities. In the event any or all of these contingent liabilities become direct liabilities, it may have an adverse effect on our business, financial conditions and results of operations.

40. We may face potential liabilities in the future from lawsuits or claims from third parties, should they perceive any deficiency in our products, which may adversely impact our business and financial condition.

We believe in providing quality products and due care is taken to mitigate the associated risks which may happen due to factors beyond our control. We may face the risk of legal proceedings and claims being brought against us by our customers on account of sale of any defective product. Further, we could also face liabilities should our customers face any loss or damage due to any unforeseen incident such as fire, or any other accident, in our stores, which could cause financial and other damage to our customers. This may result in lawsuits and /or claims against our Company, which may materially and adversely affect the results of our operations and may also result in loss of business and reputation. Although we have not been subject to any material product liability claims, we cannot assure you that we will not be subject to such claims in the future. Further, even if we successfully defend ourselves against a claim, or successfully claim back compensation from others, we may need to spend a substantial amount of money and time in defending such a claim and in seeking compensation. In any or a combination of these situations, we could suffer losses, which would adversely impact our financial condition. Any claims against us initiated by our customers may have an adverse effect on our reputation, brand image and our financial condition.

41. ***Our Company and our Directors are involved in certain legal proceedings, which, if determined against us could have a material adverse effect on our financial condition, results of operations and our reputation.***

We are involved in various legal proceedings in the ordinary course of our business. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities. These legal proceedings may not be decided in our favor and we may incur significant expenses and management time in such proceedings. Since the amount involved in some pending legal proceedings are not ascertainable or quantifiable, the final decree, judgment or award is required to assess the extent of actual exposure. Hence, financial exposure of some ongoing legal proceedings may not be provisioned and may have been recorded on the basis of the internal and/or independent assessments. In addition, the actual cost of resolving a suit, proceeding or a legal claim may be substantially higher than any amounts provisioned for that matter. If such claims are determined against us and if we are required to pay all or a portion of the disputed amounts or is unable to recover amounts for which it has filed cases, there could be a material adverse effect on our reputation, liquidity, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For further information, see "*Legal Proceedings*" on page 245.

42. Our Company requires significant amount of capital for continued growth. Our inability to meet our capital requirements may have an adverse effect on our cash flows and results of operations.

Our business requires significant amount of capital for in-store infrastructure assets and maintenance of inventory levels. As of December 31, 2020, we had total borrowings comprising only of current borrowings of ₹ 14.53 lakhs. We intend to continue growing by setting up additional stores. We may need to obtain additional financing in the normal course of business from time to time as we expand our operations. We may not be successful in obtaining additional funds in a timely manner and/or on favourable terms including rate of interest, primary security cover, collateral security, terms of repayment, or at all. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our plans or growth strategies or reduce capital expenditures and the size of our operations, which will adversely affect our business, financial condition, cash flows and results of operation.

Our operations require adequate amount of working capital. We are required to obtain and/or maintain adequate cash flows and funding facilities, from time to time. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital, could adversely affect our operations, financial condition, cash flows and profitability. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital, could adversely affect our financial condition.

43. Compliance with data privacy norms may require us to incur expenditure, which may adversely impact its financial condition and cash flows.

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur expense and devote considerable time to compliance efforts. The existing data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain. Data privacy laws, rules and regulations are also subject to change and may become more restrictive in the future. For instance, the Personal Data Protection Bill, 2018 ("**PDP Bill**"), applies to processing of personal data, which has been collected, disclosed, shared or processed within India. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Bill. Changes or further restrictions in data privacy laws, rules and regulations could have a material adverse effect on our business, cash flows, financial condition and results of operations. The cost and operational consequences of implementing further data protection measures could be significant and this may have a material adverse effect on our business, cash flows, financial condition and results of operations.

44. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our Company will have broad discretion over utilization of the Net Proceeds.

Our Company proposes to utilize the Net Proceeds to augment long-term resources for financing and to meet the future expansion plans of the Company, which include funding expenditure towards expansion of our store network, including warehousing facilities and related land acquisition, funding digital initiatives, general corporate purposes, other corporate exigencies, including but not limited to the refurbishment and renovation of existing stores, and for such other purposes as may be permitted by applicable laws. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section including inability to obtain necessary approvals for undertaking proposed activities, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

45. Two of our Promoters have interests in a venture which is in a business similar to ours and this may result in potential conflicts of interest with us.

Two of our Promoters (Hemant Agarwal and Smiti Agarwal and their related entities forming part of the original promoter group) who are not involved in the day-to-day functioning of our Company and do not hold any position in the Company in an executive capacity or otherwise; are engaged in a business venture which is in a similar line of business as that of ours. A conflict of interest may therefore occur between our business and such business ventures of theirs. Further, such business ventures of these Promoters have been operational for the past few years. We cannot assure you that such similar or any other conflicts of interest may not occur in the future.

46. We are not able to guarantee the accuracy of third party information included in this Placement Document including from the industry report commissioned by us.

Market information, statistics and data applied and relied upon by us and/or included in this Placement Document are derived from data reports compiled by government bodies, professional organizations and analysts, information from government publications or other external industry sources such as Technopak Advisors Private Limited, from whom we have commissioned the report titled "*Report on Indian Apparel Industry, January 28, 2021*" (the "**Report**"). We commissioned this report for the purpose of confirming our understanding of the industry in which we operate. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. We cannot assure you that assumptions set out in the Report are correct or will not change and, accordingly, our position in the market may differ from that presented in this Placement Document. The commissioned report is not a recommendation to invest in our Company.

While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, neither we, nor the Book Running Lead Manager, nor any other person connected with the Issue has verified the information in such report, and we therefore make no representation as to the accuracy, adequacy or completeness of such facts and statistics. Further, industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Due to ineffective information collection methods and other problems, the facts and statistics herein may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. We cannot assure you that the facts and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. For further information, see *"Industry Overview"* and *"Presentation of Financial and other Information"* on pages 135 and 13 respectively.

47. Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA and EBITDA margin have been included in this Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA margin, ROE and ROCE, total retail area, repeat sales, Sales per sq. ft. per month, Store area, bill cuts, inventory turnover ratio, average transaction size, retail space, footfall at our stores, and shrinkage, have been included in this Placement Document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Risks Relating to Doing Business in India

1. A prolonged slowdown in economic growth in India or in other countries could cause our business to suffer.

Our Company's financial performance and the quality and growth of its business depend significantly on the health of the overall Indian economy, the gross domestic product growth rate and the economic cycle in India. All of our Company's assets and employees are located in India, and our Company intends to continue to develop and expand in India. India's real growth rate declined to 4% in FY 2020 and is estimated to decline to -10.3% in FY 2021 due to the outbreak of COVID-19 pandemic which led to the imposition of lockdowns the towards the last quarter of FY 2020 and a major part of the first quarter of FY 2021 causing a contraction in the economy (*Source: Technopak Report*). Notwithstanding the RBI's policy initiatives, the course of market interest rates continues to be uncertain due to factors such as inflation, fiscal deficit and the GoI borrowing program. Any increase in inflation in the future, because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy. The uncertainty regarding liquidity and interest rates and any increase in interest rates or reduction in liquidity could materially and adversely impact our business.

In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Investors' reactions to developments in one country may have adverse effects on the economies of other countries, including the Indian economy. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability could influence the Indian economy and could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

2. Purchases of retail apparel merchandise are generally discretionary and economic conditions may cause a decline in consumer spending which could adversely affect our business and financial performance.

Our operations and performance depend significantly on worldwide economic conditions and their impact on levels of consumer spending, particularly in discretionary areas, such as apparel. Our business and financial performance, including our sales may be adversely affected by the current decrease and any future decrease in economic activity in the country that could potentially cause a decline in consumer spending. Consumers are generally more willing to make discretionary purchases, including purchases of fashion products, during periods in which favourable economic conditions prevail. A decrease in consumer discretionary spending as a result of the current economic conditions may decrease the demand for our products. In addition, reduced consumer spending may cause us to lower prices, suffer significant product returns from our customers or drive us to offer additional products at promotional prices, any of which would have a negative impact on our profits.

Our ability to meet customers' demands depends, in part, on our ability to obtain timely and adequate delivery of products from our suppliers. The current global financial situation may materially adversely affect the ability of our suppliers to obtain financing for significant purchases and operations. If certain key suppliers were to become capacity constrained or insolvent as a result of the financial crisis, it could result in a reduction or interruption in supplies or a significant increase in the price of supplies which in case is passed on to the consumers may adversely impact consumer spending and therefore our financial results. Reduced revenues as a result of decreased consumer spending may also reduce our working capital for planned store improvements and opening of additional stores in the manner that we have in the past. These and other economic factors could have a material adverse effect on demand for our products and on our financial condition, cash flows and operating results. In addition, as a result of decreased revenues and working capital, we may be required to seek additional financing which may not be available on acceptable terms or at all. There can be no assurance that government responses to the disruptions in the financial markets will restore consumer confidence, stabilize such markets or increase liquidity and the availability of credit to consumers and businesses.

3. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the trading price of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares. Since December 2019, the ongoing outbreak of COVID-19 has affected countries globally, with the World Health Organisation declaring the outbreak as a pandemic on March 12, 2020. There have been border controls, lockdowns and travel restrictions imposed by various countries, as a result of the COVID-19 outbreak. Such outbreak of an infectious disease together with the resulting restrictions on travel and/or imposition of lockdown measures have resulted in protracted volatility in domestic and international markets and/or may result in a global recession. In particular, the COVID-19 outbreak had caused stock markets worldwide to lose significant value and has impacted global economic activity. A number of governments have revised gross domestic product growth forecasts downwards in response to the economic slowdown caused by the spread of COVID-19.

4. Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Placement Document.

The Audited Financial Statements presented in this document have been prepared in accordance with Ind AS, and the Unaudited Condensed Interim Financial Statements, presented in this Placement Document are prepared and presented in accordance with Indian Accounting Standards 34 'Interim Financial Reporting'. The MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on March 30, 2019, notifying the leasing standard Ind-AS 116 "Leases", which replaces the prior standard (Ind-AS 17). Ind-AS 116 is applicable to companies in India from the fiscal year beginning on or after April 1, 2019. We have adopted Ind-AS 116 from April 1, 2019 and used modified retrospective approach, which has an impact on our reported consolidated assets, liabilities, income statement and cash flow statement. The financial statements that we prepare after implementation of Ind-AS 116 in the future will not be comparable with our historical financial statements.

Ind-AS differ from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Placement Document. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is dependent on the Investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Placement Document should accordingly be limited.

5. Investors may not be able to enforce a judgment of a foreign court against our Company

We are a limited liability company incorporated under the laws of India and, except for Aakash Moondhra, all our Directors and Senior Management Personnel named herein are residents of India and all assets of our Company are located in India. As a result, it may not be possible for investors outside of India to effect service of process on our Company or such persons from their respective jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of our Company or such directors and Senior Management Personnel under laws other than Indian law.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes, among others, the United Kingdom, Singapore, United Arab Emirates and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908 (the "**Civil Code**"). Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment. See "*Enforceability of Civil Liabilities*" for further information.

6. Terrorist attacks, communal and civil disturbances and regional conflicts in South Asia may have a material adverse effect on our business and on the market for securities in India.

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighbouring countries. There have been continuing tensions between India and Pakistan over the states of Jammu and Kashmir. In the past there were armed conflicts over parts of Kashmir involving the Indian army, resulting in a heightened state of hostilities, with significant loss of life and troop conflicts. Isolated troop conflicts and terrorist attacks continue to take place in such regions. The potential for hostilities between India and Pakistan could be particularly threatening because both India and Pakistan are nuclear power states. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on our business and future financial performance. There can be no assurance that such situations will not recur or be more intense than in the past.

Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business, prospects, financial condition, cash flows and results of operations. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. India has witnessed localized terrorist attacks recently, including the terrorist attacks in Mumbai in 2008 and 2011, in New Delhi in 2011, in Pathankot and Uri in 2016 and Pulwama in 2019. Such incidents could also create an increased perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business.

In addition, in June 2020, a confrontation occurred between Indian and Chinese military forces. Any degradation in India-China political relations, wider international relations or any future military confrontations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares.

7. Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy.

India has experienced natural calamities, such as earthquakes, floods and drought in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our facilities or other assets. Similarly, global or regional climate change or natural calamities in other countries where we operate could affect the economies of those countries.
Since April 2009, there have been outbreaks of swine flu, caused by H1N1 virus, and COVID-19 in certain regions of the world, including India and several other countries in which we operate. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

8. Any downgrading of India's credit rating by an international rating agency could have a negative impact on our business and the trading price of the Equity Shares.

India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our Company's control. As of the date of this Placement Document, India was rated Baa3 (Negative) by Moody's, BBB- (Negative) by Fitch and BBB- (Stable) by S&P. S&P stated that its rating reflects the view that India's improved political setting offers an environment which is conducive to reforms that could boost growth prospects and improve fiscal management. Going forward, the sovereign ratings outlook will remain dependent on whether the GoI is able to transition the economy out of a low-growth and high inflation environment, as well as exercise adequate fiscal restraint. However, in the event of a major economic slowdown, S&P had indicated that India may have its debt downgraded.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings, the rating of the Equity Shares and the terms on which we are able to finance future capital expenditure or refinance any existing indebtedness. This could have an adverse effect on our capital expenditure plans, business, cash flows and financial performance, and the trading price of the Equity Shares.

9. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.

The Competition Act, 2002, as amended (the "**Competition Act**"), was enacted for the purpose of preventing practices that have or are likely to have an appreciable adverse effect on competition in India, and has mandated the Competition Commission of India (the "CCI") to regulate such anti-competitive practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition in the relevant market in India and is considered void. The Competition Act prohibits the abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished. If we or any of our employees is penalized under the Competition Act, our business may be adversely affected.

On March 4, 2011, the Government of India notified and brought into force the provisions under the Competition Act in relation to combinations (the "**Combination Regulation Provisions**") with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, which sets out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India.

However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We do not have any outstanding notices in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business.

10. Our performance is linked to the stability of policies and the political situation in India.

The central and state governments have traditionally exercised, and continue to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of the Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive Governments have pursued policies of economic liberalisation and financial sector reforms. However, we cannot assure you that such policies will be continued and a significant change in the Government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, financial condition and results of operations.

Any political instability or military conflict in India, including increased tensions on the Indian borders, or in countries in the region or globally, including in India's neighbouring countries, may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of the Equity Shares. Any political instability could delay the reform of the Indian economy and could have an adverse effect on the market for the Equity Shares. The rate of economic liberalisation could change, and specific laws and policies affecting companies in the retail sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

11. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our constitutional documents and various provisions of Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights and disclosure standards under Indian law may not be as extensive as under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as our shareholder than as a shareholder of a corporation in another jurisdiction. Please refer to the section entitled "*Description of the Equity Shares*" on page 228.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless the company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in us would be reduced.

12. Anti-takeover provisions under Indian law could prevent or deter an entity from acquiring us.

The Takeover Regulations contain certain provisions that may delay, deter or prevent a future takeover or change in control. These provisions may discourage a third party from attempting to take control over our business, even if change in control would result in the purchase of our Equity Shares at a premium to the market price or would otherwise be beneficial to the investor. For more information, see "*The Securities Market of India*" on page 224.

Risks relating to the Issue

13. After this Issue, our Equity Shares may experience price and volume fluctuations.

The Issue Price will be determined by us in consultation with the Book Running Lead Manager, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations and the Section 42 of the Companies Act, 2013 read with rules made thereunder, and may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete.

The trading price of our Equity Shares on NSE and BSE may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, adverse media reports about our Company, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts, COVID–19 related measures undertaken by the Government of India and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

14. Our ability to raise foreign capital under the FDI route is constrained by Indian law and we may be subject to various conditions if we propose to raise foreign capital through the FDI route. If the

Government of India reduces the permissible limit of foreign direct investment or imposes restrictive conditions in the future, our ability to raise foreign capital could be adversely affected and consequently, this may adversely affect our business, prospects and results of operations.

We are involved in the business of multi brand trading. Under the FEMA Rules, foreign direct investment of up to 51% of our paid-up capital is allowed under the Government route and the FEMA Rules prescribe certain conditions which are required to be complied with for the purposes of receiving FDI including *inter alia* minimum capitalisation of USD 100 million and mandatory investment of 50 per cent of such capitalisation in 'back-end infrastructure' within three years and procurement of at least 30% of the value of manufactured/processed products shall be sourced from Indian micro, small and medium industries which have a total investment in plant and machinery not exceeding USD 2 million. Further, one of the conditions with respect to receipt of foreign capital under the FDI route is that the respective State Governments/Union territories to implement the FDI policy.

Our Company presently does not propose to raise any foreign capital or in the Issue through the FDI route and accordingly, our Company does not comply with these conditions. However, in the event that our Company proposes to raise foreign capital in the future through the FDI route, then we would be required to file an application with the Department for Promotion of Industry and Internal Trade ("**DPIIT**") in accordance with applicable law. We cannot assure you that we will be able to comply with any of these conditions in the future or will be able to obtain approval from DPIIT for FDI in our Company and in case we are not able to obtain FDI in the future, it may adversely affect our growth plans and business prospects.

Further, in accordance with FEMA Rules, we propose to allow participation by only Eligible FPIs in the non-resident category in the Issue through the portfolio investment scheme under Schedule II of the FEMA Rules, as the case may be, subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment is the sectoral cap applicable to our Company on a fully diluted basis. We cannot assure you that the Government will continue to allow current level of participation by the aforesaid investors in the sector in which we operate or that the Government of India will not impose any further conditions with respect to such investments. Any adverse decision by the Government of India in this regard could adversely affect our business, prospects, results of operations and trading price of our Equity Shares. Furthermore, as an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

15. An investor will not be able to sell any of our Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of allotment of the Equity Shares pursuant to the Issue.

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of Equity Shares in this Issue, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the Stock Exchanges and may not enter into any off market trading in respect of these Equity Shares. Further, allotments made to certain categories of QIBs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. We cannot be certain that these restrictions will not have an effect on the price and liquidity of the Equity Shares.

16. Any future issuance of Equity Shares or equity-linked securities by us and sale of our Equity Shares by any of our significant shareholders may lead to a dilution of your stake and may adversely affect the trading price of our Equity Shares.

There is a risk that we may be required to finance our growth or strengthen our balance sheet through additional equity offerings. Our Board and shareholders have approved employee stock option schemes titled "*V-Mart ESOP Scheme 2012*" and "*V-Mart Retail Ltd. Employee Stock Option Plan 2020*" and in compliance with the SEBI ESOP Regulations under which grant of options have been made. For further details, see "*Capital Structure*" beginning on page 78. Any future issuance of Equity Shares (including pursuant to exercise of options) or equity-linked securities by us could dilute your shareholding. Any such future issuance of Equity Shares or equity-linked securities, or sale of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could affect our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or equity-linked securities, or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

17. Currency exchange rate fluctuations may affect the value of our Equity Shares, independent of our results of operations.

Our Equity Shares are quoted in Rupees on the Stock Exchanges. The exchange rate between the Rupee and other foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. If you purchase Rupees to purchase our Equity Shares, fluctuations in the exchange rate between the Rupee and the foreign currency with which you purchased the Rupees may affect the value of your investment in our Equity Shares, including, specifically, such foreign currency equivalent of:

- the Rupee trading price of our Equity Shares in India;
- the proceeds that you would receive upon the sale in India of any of our Equity Shares; and
- cash dividends, if any, on our Equity Shares, which will be paid only in Rupees.

For information on certain historical exchange rates between the Rupee and the U.S. Dollar, please refer to "*Exchange Rates*" on page 19.

18. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Company's Equity Shares are currently traded on BSE and NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

19. Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions and requirements) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will be subject to the requirements specified under the foreign exchange regulations. Further, in accordance with press note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, all foreign direct investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India and shall have to be in conformity with the applicable provisions of the FEMA Rules. These restrictions may adversely impact the ability of the Company and its investee companies to raise capital in a timely manner.

Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

20. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemption fAccordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Additionally, the Finance Act, 2020 provides, amongst others things that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

21. Applicants to the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Pursuant to the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with its depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. There is no assurance, however, that material adverse changes in international or national monetary, financial, political or economic conditions or other events such as force majeure, material adverse changes in our Company's business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. The occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of SEBI. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

MARKET PRICE INFORMATION

The Equity Shares have been listed on BSE and NSE since February 20, 2013. As on the date of this Placement Document, 1,81,75,531 Equity Shares have been issued and subscribed, and are fully paid up.

On February 1, 2021, the closing price of the Equity Shares on BSE and NSE was ₹ 2,457.35 and ₹ 2,469.35 per Equity Share, respectively. Since the Equity Shares are available for trading and are actively traded on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

(a) The following table sets out the reported high, low and average of the closing prices of our Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded for the Fiscals 2020, 2019 and 2018:

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in lakh)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in lakh)	Average price for the year (₹)
BSE									
2020	2,785.1	May 6, 2019	115	3.20	1,351.65	March 24, 2020	298	4.07	2,043.92
2019	3,230.7	September 3, 2018	843	27.39	1,933.10	April 2, 2018	5,155	98.60	2,479.39
2018	1,962.1	March 8, 2018	11,099	216.41	860.25	April 3, 2017	22,212	189.45	1,343.69
NSE									
2020	2,798.35	May 6, 2019	3890	108.31	1,348.00	March 24, 2020	71,870	977.44	2,042.93
2019	3,229.70	September 3, 2018	13,554	441.23	1,918.95	April 2, 2018	14,980	286.89	2,480.48
2018	1,948.20	March 8, 2018	1,13,202	2,204.75	853.90	April 3, 2017	90,080	765.28	1,343.41

(Source: www.bseindia.com and www.nseindia.com)
Note:
(1) High, low and average prices are based on the daily closing prices.
(2) In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

(b) The following table sets out the reported high and low closing prices of our Equity Shares recorded on NSE and BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months:

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in lakh)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in lakh)	Average price for the month (₹)
BSE									
January 2021	2,518.00	January 1, 2021	4,226	107.48	2,399.90	January 27, 2021	1,063	25.79	2,448.42
December 2020	2,550.60	December 28, 2020	950	24.10	2,177.55	December 4, 2020	393	8.57	2,362.61
November 2020	2,304.55	November 26, 2020	2,058	46.93	1931.1	November 3, 2020	31	0.60	2,027.89
October 2020	1,995.85	October 9, 2020	2,168	43.44	1,899.55	October 15, 2020	643	12.37	1,939.36
September 2020	2,136.05	September 18, 2020	1,755	37.49	1,791.35	September 7, 2020	1,362	24.58	1,974.69
August 2020	2,086.80	August 24, 2020	5,131	106.59	1,762.15	August 3, 2020	664	11.85	1,871.32
NSE									
January 2021	2,522.05	January 1, 2021	19,134	487.69	2,379.50	January 27, 2021	39,892	958.82	2,450.23
December 2020	2,548.5	December 28, 2020	11,889	301.54	2,177.7	December 4, 2020	42,858	935.99	2,361.86
November 2020	2,308.65	November 26, 2020	80,484	1,833.56	1,929.5	November 3, 2020	36,041	695.68	2,029.50
October 2020	1,997.2	October 9, 2020	12,009	240.99	1,892.85	October 15, 2020	7,805	149.63	1,939.21
September 2020	2,138.9	September 18, 2020	31,132	659.43	1,781.15	September 7, 2020	11,349	204.82	1,974.80
August 2020	2,093.3	August 24, 2020	71,918	1,504.73	1,762.45	August 3, 2020	5,690	101.68	1,871.12

(Source: www.bseindia.com and www.nseindia.com)

Notes:

(1) High, low and average prices are based on the daily closing prices.

(2) In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

(3) In case of two days with the same high or low price, the date with the higher volume has been chosen.

(c) The following table set forth the details of the number of Equity Shares traded and the turnover during the Fiscals 2020, 2019 and 2018 and each of the last six months on the Stock Exchanges:

Period	Number of Equity Shares Traded		Turnover (in ₹ lakh)	
	BSE	NSE	BSE	NSE
Fiscal				
2020	9,66,303	55,09,005	18,269.14	1,06,955.09
2019	10,38,811	76,28,895	25,541.20	1,92,440.03
2018	98,05,100	94,34,695	1,71,027.66	1,24,629.10
Month				
January 2021	30,925	4,90,087	765.31	12,048.74
December 2020	56,524	7,78,834	1,350.35	18,468.29
November 2020	20,116	5,88,469	419.14	12,136.94
October 2020	62,485	3,39,752	1,206.18	6,585.92
September 2020	57,287	8,50,364	1,143.14	16,861.38
August 2020	41,298	5,92,938	837.46	12,048.22

(Source: www.bseindia.com and www.nseindia.com)

(d) The following table sets forth the market price on the Stock Exchanges on September 7, 2020, the first Working Day following the approval of our Board for the Issue:

Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded**	**Turnover (₹ in lakh)**
BSE					
1,825.65	1,847.15	1,775.00	1,791.35	1,362	24.58
NSE					
1,810.00	1,853.20	1,762.55	1,781.15	11,349	204.82

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue aggregate to approximately ₹ 37,499.99 lakh. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue amounting to approximately ₹ 597.07 lakh, are approximately ₹ 36,902.93 lakh (the "**Net Proceeds**").

Purpose of the Issue

Subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds towards augmenting long-term resources for financing and to meet the future expansion plans of the Company, which include funding expenditure towards expansion of our store network, including warehousing facilities and related land acquisition, funding digital initiatives, general corporate purposes, other corporate exigencies, including but not limited to the refurbishment and renovation of existing stores, and for such other purposes as may be permitted by applicable laws.

Subject to the review of our Audit Committee as required under the SEBI Listing Regulations, in accordance with the policies approved by the Board and as permissible under applicable law, our management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of investment opportunities on terms acceptable to us. Pending utilisation for the purposes described above, we intend to temporarily invest Net Proceeds in creditworthy instruments, including money market mutual funds and deposits with banks and corporates. Such investments would be in accordance with the investment policies as approved by our Board from time to time and all applicable laws and regulations.

As on the date of this Placement Document, neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC, and the final listing and trading approvals are received from each of the Stock Exchanges.

Since the Net Proceeds of the Issue are proposed to be utilized towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project; (ii) means of financing such project; and (iii) proposed deployment status of the proceeds at each stage of the project.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement as at December 31, 2020, which has been extracted from the Unaudited Condensed Interim Financial Statements and adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 83 and 254, respectively:

(in ₹ lakh)

Particulars	As at December 31, 2020	
	Pre-Issue	**Post-Issue as adjusted^**
Current borrowings:	14.53	14.53
Non-current borrowings:	-	-
Total borrowings (A)	**14.53**	**14.53**
Equity:		
Equity share capital	1,817.55	1,970.61
Other equity	43,629.05	80,975.98
Equity (B)	**45,446.60**	**82,946.59**
Total capitalization (A+B)	**45,461.13**	**82,961.12**
Debt/ Equity ratio (A/B)	**0.0003**	**0.0002**

^ *As adjusted to reflect the number of equity shares issued pursuant to the Issue, and the proceeds from the Issue. The 'Post-Issue as adjusted' column reflects the changes in equity only on account of the proceeds from the fresh issue of ₹ 15,30,612 Equity Shares at a price of ₹ 2,450 per Equity Share, including a premium of ₹ 2,440 per Equity Share, resulting an increase of ₹ 153.06 lakhs in the equity share capital of our Company and an increase of ₹ 37,346.93 lakhs in Other equity. The adjustments do not includes Issue-related expenses. Further, it does not consider any other adjustments or movements or any such line items in our financial statements, post December 31, 2020.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Placement Document is set forth below:

(₹ in lakhs except share data)

		Aggregate value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	2,50,00,000 Equity Shares of face value of ₹ 10 each	2,500.00
B	**ISSUED SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	1,81,75,531 Equity Shares of face value of ₹ 10 each	1,817.55
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT (1)**	
	15,30,612 Equity Shares	153.06
D	**ISSUED SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	1,97,06,143 Equity Shares (1)	1,970.61
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue(3)	9,678.72
	After the Issue (1) (2)	47,025.65

(1) *The Issue was approved by the Board of Directors on September 5, 2020. Subsequently, our Shareholders, through a special resolution, approved the Issue on September 30, 2020.*

(2) *The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue.*

(3) *As on December 31, 2020.*

The securities premium account as on December 31, 2020 is ₹ 9,678.72 lakhs.

Equity Share Capital History of our Company

The history of the equity share capital of our Company is set forth below:

Date of allotment	Number of equity shares allotted	Face Value (₹)	Issue Price per equity share (₹)	Consideration
July 24, 2002	1,000	100	100	Cash
March 31, 2003	6,250	100	1,000	Cash
March 31, 2004	31,500	100	100	Cash
March 31, 2004	4,900	100	1,000	Cash
March 29, 2005	16,600	100	1,000	Cash
March 31, 2005	42,176	100	-	Other than cash(1)
March 31, 2007	7,900	100	1,000	Cash
October 22, 2007	879	100	-	Other than cash(2)
October 29, 2007	*The authorised share capital of our Company was sub-divided from 1,15,000 equity shares of ₹ 100 each to 11,50,000 Equity Shares of ₹ 10 each, and the issued, subscribed and paid-up equity share capital of our Company from 1,11,205 equity shares of ₹ 100 each to 11,12,050 Equity Shares of ₹ 10 each*			
February 15, 2008	44,48,200	10	-	Other than cash(3)
June 10, 2008	41,667	10	720	Cash
August 4, 2008	3,50,000	10	160	Cash
September 15, 2008	9,01,519	10	159.80	Cash
January 20, 2011	4,87,500	10	10	Cash
June 15, 2012	66,06,842	10	-	Other than cash(4)
January 6, 2013	12,50,000	10	210	Cash
February 14, 2013	27,61,000	10	210	Cash
September 29, 2014	41,308	10	150	Cash
January 5, 2015	15,603	10	150	Cash
May 4, 2015	14,237	10	150	Cash
August 3, 2015	24,687	10	150	Cash
February 9, 2016	12,083	10	150	Cash
August 5, 2016	1,464	10	150	Cash
May 3, 2017	13,882	10	150	Cash

Date of allotment	Number of equity shares allotted	Face Value (₹)	Issue Price per equity share (₹)	Consideration
May 3, 2017	11,220	10	450	Cash
May 3, 2017	4,093	10	573	Cash
May 24, 2018	14,567	10	470	Cash
May 24, 2018	4,093	10	573	Cash
May 24, 2018	7,480	10	450	Cash
July 23, 2018	1,918	10	900	Cash
July 23, 2018	1,790	10	470	Cash
February 5, 2019	2,790	10	1,260	Cash
May 10, 2019	23,261	10	470	Cash
May 10, 2019	153	10	573	Cash
August 2, 2019	188	10	470	Cash
August 2, 2019	1	10	573	Cash
November 1, 2019	1,888	10	900	Cash
May 29, 2020	10,435	10	470	Cash
August 10, 2020	2,979	10	470	Cash
September 5, 2020	4,688	10	470	Cash
November 10, 2020	1,945	10	470	Cash
Total	**1,81,75,531**			

(1) *Bonus issue in the ratio of seven equity shares for every 10 equity shares held by the existing shareholders of our Company.*
(2) *Pursuant to an approval by the High Court of Judicature at Calcutta of a scheme of amalgamation between Sambhav Promoters Private Limited and our Company.*
(3) *Bonus issue in the ratio of four Equity Shares for every Equity Share held by the existing shareholders of our Company.*
(4) *Bonus issue in the ratio of nine Equity Shares for every 10 Equity Shares held by the existing shareholders of our Company.*

V-Mart ESOP Scheme 2012

Our Company has adopted the 'V Mart Employee Stock Option Plan 2012' ("**V-Mart ESOP Scheme 2012**"), which was approved by our Board by a resolution dated July 2, 2012 and our Shareholders through a special resolution dated July 10, 2012, pursuant to which an aggregate of 300,000 Equity Shares were granted. Subsequently, our Shareholders approved an amendment to the V-Mart ESOP Scheme 2012 pursuant to a resolution dated September 18, 2017. Following such amendment, the aggregate number of stock options that may be granted under this scheme shall not exceed 6,00,000 options.

The purpose of the V-Mart ESOP Scheme 2012 is, among others, to unify the interest of our Company and shareholders in a manner in which the employee would be motivated to take decisions in the interest of the Shareholders. The V-Mart ESOP Scheme 2012 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended. Each option granted under this scheme will entitle option holder to subscribe to one Equity Share, upon payment of the exercise price.

As on the date of this Placement Document, the details of options pursuant to V-Mart ESOP Scheme 2012 are as follows:

Particulars	Number of stock options
Total number of stock options	6,00,000
Stock options granted	3,85,188
Stock options vested and remain unexercised	1,46,587
Stock options exercised	2,16,753
Stock options lapsed / forfeited/ cancelled	77,356
Total stock options outstanding	3,83,247

V-Mart ESOP Scheme 2020

Our Company has adopted the 'V-Mart Retail Ltd. Employee Stock Option Plan 2020' ("**V-Mart ESOP Scheme 2020**"), which was approved by our Board by a resolution dated August 10, 2020 and our Shareholders through a special resolution dated September 30, 2020.

The purpose of the V-Mart ESOP Scheme 2020 is, among others, to redesign our long term incentive tools to attract, retain and motivate talented employees in line with industry practises. The V-Mart ESOP Scheme 2020 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended. The aggregate number of stock options that may be granted under this scheme shall not exceed

2,00,000 options. The vesting period of options granted under this scheme shall be not earlier than one year and not more than eight years from the date of grant of such options. Each option granted under this scheme will entitle option holder to subscribe to one Equity Share, upon payment of the exercise price.

As on the date of this Placement Document, the details of options pursuant to V-Mart ESOP Scheme 2020 are as follows:

Particulars	Number of stock options
Total number of stock options	2,00,000
Stock options granted	1,85,950
Stock options vested and remain unexercised	-
Stock options exercised	-
Stock options lapsed / forfeited/ cancelled	-
Total stock options outstanding	2,00,000

Pre-Issue and post-Issue shareholding pattern of Company

The pre-Issue and post-Issue shareholding pattern of our Company, as on January 29, 2021, is set forth below:

#	Category	Pre-Issue (as of January 29, 2021)		Post-Issue*	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
A. Promoters' holding#					
1.	Indian				
	Individual	17,05,949	9.39	17,05,949	8.66
	Body Corporates	74,90,673	41.21	74,90,673	38.01
	Others	-	-	-	-
	Sub-total	**91,96,622**	**50.60**	**91,96,622**	**46.67**
2.	Foreign Promoters	-	-	-	-
	Sub-total (A)	**91,96,622**	**50.60**	**91,96,622**	**46.67**
B. Non-Promoter Holding					
1.	Institutional Investors	75,44,168	41.51	90,74,780	46.05
2.	Non-Institutional Investors				
	Private Corporate Bodies	1,44,557	0.80	1,44,557	0.73
	Indian public	11,69,331	6.43	11,69,331	5.93
	Others including Non resident Indians (NRIs)	1,20,853	0.66	1,20,853	0.61
	Sub-total	**14,34,741**	**7.89**	**14,34,741**	**7.28**
3.	Non Promoter Non-public	-	-	-	-
	Sub-total (B)	**89,78,909**	**49.40**	**1,05,09,521**	**53.33**
	Grand Total (A+B)	**1,81,75,531**	**100**	**1,97,06,143**	**100**

* *The post-Issue shareholding pattern of our Company reflects the shareholding of the institutional investors category on basis of the Allocation made in the Issue, and reflects the shareholding of all other categories as of January 29, 2021.*

\# *Includes the shareholding of the members forming part of Promoter Group.*

Proposed Allottees in the Issue

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issue*" on page 253.

Other confirmations

Our Company has not allotted securities on a preferential basis, through a private placement or by way of a rights issue in the one year immediately preceding the date of this Placement Document.

Our Company has not made any allotments for consideration other than cash, in the last one year preceding the date of this Placement Document.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of the notice to the Shareholders dated September 5, 2020 of the annual general meeting dated September 30, 2020, for the approval of this Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on the Stock Exchanges.

DIVIDENDS

The declaration and payment of dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. Our Board may also, from time to time, declare interim dividends. Our Board has approved and adopted a formal dividend distribution policy on May 24, 2018, in terms of Regulation 43A of the SEBI Listing Regulations.

The following table details the dividend paid by our Company on the Equity Shares in the Fiscals 2020, 2019 and 2018, and in the nine months ended December 31, 2020:

Particulars	**Fiscal**		
	2020	**2019**	**2018**
Face value per share (₹)	10	10	10
Dividend per share (₹)	1.70	2.00	1.25
Dividend rate (%)	17.00	20.00	12.50
Payment of dividend distribution tax (₹ in lakh)	63.44	74.51	46.05
Payment of dividend on Equity Shares (₹ in lakh)	308.61	362.47	226.22

Further, the Company has not declared or paid any dividend during the nine months ended December 31, 2020.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the financial performance (including profits earned, available distributable reserves, etc.), availability alternate usages of cash which may generate higher returns for shareholders, debt repayment schedules, fund requirements to meet contingencies and unforeseen events, the macroeconomic environment and statutory provisions and guidelines, among others, and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted. For further information, please see the section entitled "*Description of the Equity Shares*" on page 228. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, see "*Risk Factors – Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition.*" on page 60.

For a summary of certain Indian tax consequences of dividend distributions to the Shareholders, please see "*Taxation*" on page 232.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Audited Financial Statements and our Unaudited Condensed Interim Financial Statements starting from page 254.

This Placement Document may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Placement Document. For further information, see "Forward Looking Statements" on page 16. Also read "Our Business", "Industry Overview", "Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations", "Risk Factors" and "Selected Financial Information" on pages 167, 135, 254, 86, 45 and 35, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information in this section is based on the Audited Financial Statements and the Unaudited Condensed Interim Financial Statements, included in this Placement Document, except that financial information with respect to the nine months ended December 31, 2019 are derived from the comparatives presented in the Unaudited Condensed Interim Financial Statements as at and for nine months ended December 31, 2020. For further information, see "Financial Information" and "Selected Financial Information" on pages 254 and 35, respectively.

*Unless otherwise indicated, all industry and market data used in this section has been derived from the "Report on Indian Apparel Industry" dated January 28, 2021 (the "**Technopak Report**") prepared and released by Technopak Advisors Private Limited, and commissioned by us. None of our Company, the Book Running Lead Manager or any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

OVERVIEW

We are one of the pioneers in value retail segment in India. (*Source: Technopak Report*) We primarily operate in Tier-II and Tier-III towns and cities through a chain of 'value retail' stores, focused on meeting the aspirations of the consuming class in the country, offering products based on the consumer's socio-economic conditions, purchasing power, demographic details and consumer trends. Having opened our first store in October 2003 by the name of "V-Mart" at Ahmedabad, Gujarat, we now sell our products through 274 stores spread across 188 cities in 19 states, as on December 31, 2020. We are a customer centric company, constantly striving to create value for our customers by offering affordable fashion through a wide assortment to cater to the requirements of an entire family, and other merchandize for home and daily household consumption. We believe our offerings in the Tier-II and Tier-III towns and cities provide the consuming class quality products, primarily fashion merchandise, at affordable prices, under a modern ambience.

While our stores are located in 19 states with a focus on northern and eastern parts of India, we are committed to increasing our penetration across the country by leveraging our cluster-based expansion model. Typically, our new locations are strategically located within a radius of 100 - 150 kilometres from an existing store. These locations are identified and evaluated by our in-house new store operations team, based on a multi-dimensional business assessment matrix. This 'creeping expansion' approach is well-suited for understanding the diverse nature of customer base, in terms of local fashion trends and preferences, festivals, language, culture, cuisine, and ethnicity, all of which may vary even within small distances in India. This understanding translates into rapid scalability of store network in a cluster, procurement and supply chain efficiencies, and cost optimization in marketing and promotions. Adopting the cluster-based expansion model helps us to ensure that proper logistics support is available to our new stores, while facilitating inter-store sharing of resources, thereby reducing our operational costs. Such a model has allowed us to not only be more efficient but also effectively cater to the requirements of the customers across regions. At the end of Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, we had 171, 214, 266 and 274 stores across 145 cities, 171 cities, 190 cities and 188 cities, with store area of 14.53 lakh sq. ft., 18.14 lakh sq. ft., 22.08 lakh sq. ft. and 22.65 lakh sq. ft., respectively. Our strategy has been to deepen our store network at a block or tehsil level to attract both urban and rural customers, within existing clusters of presence that we believe are underserved by value fashion, while gradually expanding our network into newer geographies, pursuant to our cluster-based expansion model.

Our Company operates its business under three verticals – apparels, non-apparel, and FMCG verticals. Within the apparels vertical, which formed the majority of our revenue from contracts with customers as on December 31, 2020, we offer fashion garments for men, women, boys, girls and infants. Our apparel product mix focuses on ethnic, fusion, and western wear for women; formal, sports, and casual wear for men; and kids wear in various colours, and designs. The products offered under our non-apparel vertical are bags, toys, footwear and crockery and utensils, among others. Within the FMCG vertical, we primarily offer packed food and non-food products. During Fiscal 2020 and the nine months ended December 31, 2020, the revenue generated from our apparels vertical contributed to 78.62% and 78.27% of our revenue from contracts with customers whereas the revenue generated from our non-apparel vertical contributed to 13.38% and 13.46% and the revenue generated from our FMCG vertical contributed to 7.89% and 8.07%, of our revenue from contracts with customers, respectively.

Our sourcing capability is backed by an efficient logistics network, which is supported by effective systems and processes and a robust information technology infrastructure, thus allowing us to deliver on our value retailing promise. At our centralized warehouse, we have adopted technology and modern equipment extensively, leading to process efficiencies, thus helping us in optimizing costs. As a result, we are able to procure our merchandise optimally and manage our inventory levels efficiently to better respond to our customers' changing preferences and needs while also ensuring that prices are kept affordable.

Our Company is led by one of our Promoters and our Chairman and Managing Director, Lalit Agarwal, who has over 15 years of experience in the retail industry in India. In addition, our Promoter and Whole-time Director, Madan Agarwal also has over 15 years of experience in the apparel industry. We also have an experienced senior management team that possesses industry and management experience enabling us to capture market opportunities, formulate and execute business strategies, manage customer expectations as well as proactively pre-empt changes in market conditions.

Our total number of bill cuts was 172.27 lakh, 201.72 lakh, 223.56 lakh, 179.16 lakh and 83.70 lakh for Fiscals 2018, 2019 and 2020, and for the nine months ended December 31, 2019 and the nine months ended December 31, 2020, respectively. We were able to increase our total revenues during the last three Fiscals, from ₹ 122,651.30 lakh in Fiscal 2018 to ₹ 166,650.29 lakh in Fiscal 2020. However, given that the operations at our stores were suspended during the lockdown period due to the Government orders owing to COVID-19, our total revenues in the nine months ended December 31, 2020 was ₹ 74,028.39 lakh, as compared with our total revenues in the nine months ended December 31, 2019, which was ₹ 133,305.49 lakh. Our revenue from operations in Fiscals 2018 and 2019 was ₹ 122,237.19 lakh and ₹ 143,374.48 lakh, respectively, and our revenue from contracts with customers in Fiscal 2020 was ₹ 166,202.33 lakh, respectively. In line with the reduction of our total revenues, our revenue from contracts with customers in the nine months ended December 31, 2020 was ₹ 72,358.76 lakh whereas our revenue from contracts with customers in the nine months ended December 31, 2019 was ₹ 132,936.08 lakh. Our profit / (loss) for the year / period was ₹ 7,770.41 lakh, ₹ 6,162.62 lakh, ₹ 4,934.53 lakh, ₹ 5,778.03 lakh and ₹ (472.83) lakh, in the Fiscals ended 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, respectively.

PRESENTATION OF FINANCIAL INFORMATION

As required under applicable regulations, and for the convenience of prospective investors, we have included the following in this Placement Document:

- audited financial statements of our Company as at and for the financial years ended March 31, 2018, March 31, 2019 and March 31, 2020, prepared in accordance with the Ind AS, as notified by MCA pursuant to Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**IAS Rules**"), and other relevant provisions of the Companies Act (collectively, the "**Audited Financial Statements**"); and

- unaudited condensed interim financial statements of our Company for the nine months ended December 31, 2020 prepared in accordance with the Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Companies Act (the "**Unaudited Condensed Interim Financial Statements**").

The audited financial statements for Fiscal 2018 have been audited by the Previous Statutory Auditor, Walker

Chandiok & Co LLP, Chartered Accountants, on which they have issued an audit report dated May 24, 2018. Our Statutory Auditors, M/s S. R. Batliboi & Co. LLP, Chartered Accountants, have audited our financial statements for Fiscals 2020 and 2019, and have issued audit reports dated May 29, 2020 and May 10, 2019, respectively, on such financial statements.

The Unaudited Condensed Interim Financial Statements have been subjected to review by our Statutory Auditors and they have issued their report dated January 28, 2021, based on their review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the Institute of Chartered Accountants of India ("**ICAI**"). The Audited Financial Statements should be read along with the respective audit reports, and the Unaudited Condensed Interim Financial Statements should be read along with the review report issued thereon. Further, our Unaudited Condensed Interim Financial Statements are not necessarily indicative of results that may be expected for the full financial year or any future reporting period.

Adoption of Ind AS 116

Pursuant to its notification dated March 30, 2019, the Ministry of Corporate Affairs ("**MCA**") has notified 'Ind AS 116 - Leases' and we were required to adopt Ind AS 116 with effect from April 1, 2019. Therefore, our Audited Financial Statements as at and for the fiscal ended 2020, and our Unaudited Condensed Interim Financial Statements as at and for the nine months ended December 31, 2020, have been prepared using Ind AS 116. We have applied Ind AS 116 on April 1, 2019, using the modified retrospective approach, with the right of use asset recognized at an amount equal to the lease liability adjusted for any prepayment/ accrual recognized in the balance sheet immediately before the initial application. Accordingly, we were not required to retrospectively adjust the comparative information for the years ended March 31, 2019 and 2018.

The adoption of Ind AS 116 resulted in recognizing the total right of use amounting of ₹ 41,073.63 lakh as at April 1, 2019. Our Audited Financial Statements were all prepared based on applicable Ind AS, including Ind AS 17 "Leases", and do not reflect the application of Ind AS 116 which became applicable with effect from April 1, 2019. Accordingly, (i) the Audited Financial Statements as at and for the Fiscal ended 2019 and 2018, are not comparable to our Audited Financial Statements as at and for the Fiscal ended 2020, and our Unaudited Condensed Interim Financial Statements as at and for the nine months ended December 31, 2020 (which reflects the impact of Ind AS 116).

For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Summary of Significant Accounting Policies*" and "*Financial Information*" on pages 86 and 254, respectively.

RECENT DEVELOPMENTS

Since the end of 2019, COVID-19 pandemic spread to a majority of countries across the world, including India. While this pandemic has affected and is expected to continue to affect our business and operational performance in the near future, the recently commenced vaccination drive in the country is a positive development.

The outbreak of COVID-19 was recognized as a public health emergency of international concern on January 30, 2020 and as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, had / have taken preventive or protective actions, such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. The Government of India had announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, selective or partial lockdowns at a local level may be re-introduced, depending on the health risk posed by the pandemic. The vaccination drive is a significant step towards moving beyond the pandemic, however, the possibility of multiple waves of the pandemic and therefore lockdown-like measures remains, as is evident in many countries having to reinstate lockdowns due to a 'second wave' of the COVID-19 outbreak and the discovery of a new strain of the coronavirus in the United Kingdom.

We are regularly monitoring the impact of COVID-19 on all aspects of our business and operations and the preventive or protective actions of the central, state and local Governments on the relevant aspects of our business and operations. Our revenue from contracts with customers was impacted as there were no social occasions or functions, which were the main reasons resulting in consumers buying new apparels, owing to the lockdown. In addition, our principal channels of sale were not allowed to function as part of the lockdown imposed by the Government of India and relevant state governments, inflicting adverse impact on revenue and profitability. While operations at all of our stores were initially suspended during the lockdown due to the Government orders, we have been able to resume operations at all our stores in compliance with the mandated social distancing and hygiene guidelines.

Our revenue from contracts with customers was ₹ 72,358.76 lakh during the nine months ended December 31, 2020, which was 45.57% lower when compared with the revenue from contracts with customers for the nine months ended December 31, 2019, which was ₹ 132,936.08 lakh.

In the preparation of our Unaudited Condensed Interim Financial Statements and our Audited Financial Statements, we have assessed the impact and future uncertainties resulting from the COVID-19. The ultimate impact of the COVID-19 pandemic on the business and operations may, however, differ from that assessed by us due to the evolving nature of the pandemic and its response by various Government authorities. To the extent, the COVID-19 pandemic adversely affects us, it may also significantly increase the effect of other factors affecting our results of operations. Please refer to "*Risk Factors – The outbreak of the COVID-19 has had, and is expected to continue to have, a significant effect on our operations, and could negatively impact our business, revenues, financial condition and results of operations. The current, and uncertain future, impact of the COVID-19 pandemic, including its effect on the ability or desire of people to visit our stores, is expected to continue to impact our operations and cash flows.*" on page 45.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

Availability of quality retail spaces

The availability of suitably located retail spaces at a reasonable cost is significant to our success. We do not own the land or building from where we operate our stores and obtain these through long-term lease, which typically vary for a period of nine to 15 years.

In the process of attempting to grow our network of stores, we may be required to consider a number of aspects, including the identification of appropriate locations for our new stores, obtaining leases at a reasonable cost for such stores, varying cultures and customer preferences, and local business practices. Since each new store location is required to satisfy various parameters to make an attractive commercial proposition, finalisation of location and property for our new stores is an evolving process which may not progress at the same pace as in the past or at the expected pace. Accordingly, identifying and obtaining quality retail spaces at commercially suitable terms becomes significant, and an inability to do so, or at all, may adversely affect our expansion and growth plans.

In addition, we may face challenges in retaining the retail spaces acquired. Lease arrangements may require renewal or escalations in rental fee from time to time during the lease period. In the event that we are unable to renew such agreements on favourable terms or in an unlikely scenario, are unable to retain such spaces, we may be required to relocate our stores and, thereby, incur additional relocation costs. Further, limited availability of suitable retail spaces in newer locations may lead to higher rental lease rates in the face of increasing competitive activity, leading to delays or cost overruns, or both, in the opening of new stores.

COVID-19 pandemic

The COVID-19 pandemic has affected and may continue to affect our business and results of operations in the near future. Please refer to "*– Recent Developments*" on page 85 for further details.

Expanding our network of stores

Since the setting up of our first store in Ahmedabad in October 2003, our network of stores has expanded to a total of 274 stores as of December 31, 2020. Our strategy is to expand our retail footprint in clusters within our existing geographies.

However, our strategy to continue to expand our store base may not result in a commensurate increase in our revenue from contracts with customers, even though it shall result in a disproportionate increase in expenses. The continued expansion may also place increased demands on our existing financial, operational, managerial and administrative resources. Further, new stores may not be immediately profitable and, we may incur lower-than-average store productivity until these stores rise up to the level of our targeted return of income. In the event that any of the new stores do not break even or achieve the expected level of profitability within our expected timeframe, or at all, our expansion plans and our results of operations, cash flows, financial condition and profitability may be materially and adversely affected and we may decide to close some of our stores.

We may not be able to execute our growth strategies in a timely manner or within the estimated budget due to factors beyond our control. In addition, for the same reason, we may also not be able to sustain the growth rate of our store expansion. Our inability to manage the pace of our growth may have an adverse effect on our business, results of operations and financial condition.

Sales volume

Our sales volume is an important factor driving our results of operations, both on a per store and on an aggregate basis. Our revenue from operations was ₹ 122,237.19 lakh and ₹ 143,374.48 lakh in Fiscal 2018 and Fiscal 2019, respectively. Our revenue from contracts with customers was ₹ 166,202.33 lakh, ₹ 132,936.08 lakh and ₹ 72,358.76 lakh in Fiscal 2020, the nine months ended December 31, 2019 and the nine months ended December 31, 2020.

Increased sales volume favourably affects our results of operations as it enables us to benefit from economies of scale in procurement and improves our operating margin through our ability to leverage our fixed cost base. Several factors affect our ability to increase and maintain sales volume, including (i) our ability to compete with local stores with a fixed clientele base and wider geographical penetration; (ii) pricing of our products; (iii) our ability to proactively respond to and manage dynamic consumer demand; (iv) maintaining favorable brand recognition and effective marketing; (v) developing innovative, high-quality products in varied sizes, colours and styles; (vi) strong and effective marketing support; and (vii) maintaining high levels of consumer traffic to our retail and online stores, among others.

Competition

The Indian retail market has become increasingly competitive in recent years and this may increase in the future. New entrants coming into retail industry may have more flexibility in responding to changing business and economic conditions and existing players may seek to consolidate their position. Due to the expansive nature of our business, we face competition from various kinds of players including, players operating in retail, wholesale and e-commerce space. We compete with national and local department stores, independent retail stores and internet businesses that market similar lines of merchandise as us. Many of our existing or future competitors may have substantially greater financial, marketing and other resources and, therefore, may be able to adapt to changes in customer requirements more quickly, devote greater resources to the marketing and sale of their products or adopt more aggressive pricing policies than us. Increased competition may lead to higher price competitiveness, affecting our margins. Please refer to "*Risk Factors - The fashion and retail industry is highly competitive and is very fragmented. If we do not respond to competition effectively, our cash flows, financial condition and results of operation may be adversely affected.*" on page 46.

Changes in customer preferences, market trends and the Indian economy

We believe the apparel industry is characterized by changing customer preferences. Our results of operations are dependent on our ability to anticipate, gauge and respond to such changes in customer preferences and obtain new and affordable products or modify our existing products in line with changes in fashion trends as well as customer demands and preferences. We incur significant time and effort in the design and development as well as in the procurement of our products, specifically apparels.

Further, our performance and growth are, and will be, dependent to a large extent on the health of the Indian economy and consumption spending by households. Economic growth in India is affected by various factors including domestic consumption and savings, rate of inflation in India, balance of trade movements, and global economic uncertainty. Consequently, future changes in the Indian economy may impact our revenues and results of operations.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies that have been used in the preparation of the audited financial statements of the Company as at and for the year ended March 31, 2020.

Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the FS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value;
- Defined benefit plans – plan assets measured at fair value;
- Share based payments.

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 100,000), except when otherwise indicated.

1. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Company classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

2. Foreign Currencies

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

Transactions in foreign currencies are initially recorded by the Company's at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses rate at the beginning of each month which is approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given below.

Disclosure for valuation method, significant estimates and assumption

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4. Revenue from contract with customer

Revenue from contract with customer is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from contract with customer is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risk.

Sale of goods:

Revenue from sale of goods is recognised on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. It is the Company's policy to sell its products to the end customers with a right of return within 7 days. Historical experience is used to estimate and provide for such returns at the time of sales. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risk.

Loyalty points programme:

The Company has a loyalty points programme, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

Interest Income:

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Interest income is included in finance income in the Statement of Profit and Loss.

5. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability In a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

6. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

7. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

8. Depreciation on Property, plant and equipment

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 (‘Schedule II’) on a pro-rata basis from the date the asset is ready to put to use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Asset Category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Plant and equipment	6-9 years	15 years
Office equipment	5 years	5 years
Computers	3-6 years	3-6 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years

Leasehold improvements are amortized on a straight line basis over the period of lease.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

9. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

10. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company has adopted modified retrospective approach as per para C8(c)(ii) of IND AS 116 - "Leases" for its store, warehouse, office premises and other assets taken on leases, effective from the annual reporting period beginning April 1, 2019. Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Stores, warehouse and office premises	9 – 15 years
Plant and machinery/ office equipment	3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (l) Impairment of non-financial assets.

Lease Liabilities

The Company recognises lease liabilities at the present value of lease payments to be made over the remaining lease term effective April 1, 2019. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of rented premises, Plant and machinery and office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

11. Inventories

Inventories are valued as follows:

a) **Packing and accessories:** At lower of cost and net realisable value. Cost represents purchase price and other direct costs and is determined on a “first in, first out” basis.

b) **Traded goods:** At lower of cost and net realisable value. Cost of inventories comprises all costs of purchase price and other incidental costs incurred in bringing the inventories to their present location and condition. Cost is determined based on first in first out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

12. Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life (including right of use assets).

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

Impairment losses are recognized in the statement of profit and loss.

13. Provisions and Contingent liabilities

Provisions

Provision are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligations, the provision is reversed.

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 unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

14. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is defined benefit plan and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each year. Actuarial gain and loss for defined plan benefit plan is recognized in full in the year in which occur in the statement of profit and loss.

Accumulated leave, which are expected to be utilized within the next twelve months are treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of unused entitlement that has accumulated at that reporting period.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

a) The date of the plan amendment or curtailment, and
b) The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b) Net interest expense or income

15. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share Option Outstanding Account' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

16. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss) or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
(ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Investments

Investments in mutual fund are measured at FVTPL.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financials assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

(i) The rights to receive cash flows from the assets have expired, or
(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as

FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains / loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

17. *Segment reporting*

Identification of segments:

Business segment:

The company operates in single segment of retails of readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India.

Geographical segment:

The analysis of geographical segments is based on the geographical location of the customers. The company operates in single geographical segment i.e. India.

18. *Cash and cash equivalents*

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of Company's cash management.

19. *Cash dividend and non-cash distribution to equity holders*

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

20. *Earnings per share*

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

The following is a summary of significant accounting policies that have been used in the preparation of the Unaudited Condensed Interim Financial Statements.

Basis of preparation

These Special purpose interim condensed Ind AS financial statements of the Company, which comprise the Special purpose interim condensed balance sheet as at December 31, 2020; Special purpose interim condensed statement of Profit and Loss including the statement of Other Comprehensive Income; Special purpose interim condensed Cash Flow Statement and Special purpose interim condensed Statement of Changes in Equity for the period then ended and other select explanatory notes has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting”. This unaudited special purpose interim condensed Ind AS financial statements has been prepared in connection with raising of funds in accordance with provisions of the SEBI ICDR Regulations.

The accounting policies adopted in the preparation of these unaudited special purpose interim condensed Ind AS financial statements are consistent with those followed in the preparation of the annual audited Ind AS financial statements for the year ended March 31, 2020. Further, certain selected explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in the financial position and performance since the last annual audited Ind AS financial statements. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements. The presentation and disclosure requirements of Guidance note to Schedule III are also complied with by the Company.

1. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Company classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. Foreign Currencies

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information is presented in "lakhs", except where otherwise stated.

Transactions in foreign currencies are initially recorded by the Company's at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses rate at the beginning of each month which is approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

4. Revenue from contract with customer

Revenue from contract with customer is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from contract with customer is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risk.

Sale of goods:

Revenue from sale of goods is recognised on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. It is the Company’s policy to sell its products to the end customers with a right of return within 7 days. Historical experience is used to estimate and provide for such returns at the time of sales. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risk.

Loyalty points programme:

The Company has a loyalty points programme, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

The Company during the year has discontinued the customer loyalty program.

Interest Income:

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Interest income is included in finance income in the Statement of Profit and Loss.

5. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except: When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except: When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability In a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

6. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

7. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

8. Depreciation on Property, plant and equipment

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is ready to put to use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Asset Category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Plant and equipment	6-9 years	15 years
Office equipment	5 years	5 years
Computers	3-6 years	3-6 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

9. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

10. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company has adopted modified retrospective approach as per para C8(c)(ii) of Ind AS 116 - "Leases" for its store, warehouse, office premises and other assets taken on leases, effective from the annual reporting period beginning April 1, 2019. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Stores, warehouse and office premises	9 - 15 years
Plant and machinery/ office equipment	3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (l) Impairment of non-financial assets.

Lease Liabilities

The Company recognises lease liabilities at the present value of lease payments to be made over the remaining lease term effective April 1, 2019. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of rented premises, Plant and machinery and office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

11. Inventories

Inventories are valued as follows:

c) **Packing and accessories:** At lower of cost and net realisable value. Cost represents purchase price and other direct costs and is determined on a "first in, first out" basis.

d) **Traded goods:** At lower of cost and net realisable value. Cost of inventories comprises all costs of purchase price and other incidental costs incurred in bringing the inventories to their present location and condition. Cost is determined based on first in first out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

12. Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life (including right of use assets).

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

Impairment losses are recognized in the statement of profit and loss.

13. Provisions

Provision are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligations, the provision is reversed.

14. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is defined benefit plan and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each year. Actuarial gain and loss for defined plan benefit plan is recognized in full in the year in which occur in the statement of profit and loss.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Accumulated leave, which are expected to be utilized within the next twelve months are treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of unused entitlement that has accumulated at that reporting period.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

a) The date of the plan amendment or curtailment, and
b) The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b) Net interest expense or income

15. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share Option Outstanding Account' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

16. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss ("**FVTPL**")
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss) or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
(ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Investments

Investments in mutual fund are measured at FVTPL.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financials assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

(i) The rights to receive cash flows from the assets have expired, or
(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

17. Segment reporting

Identification of segments:

Business segment:

The company operates in single segment of retails of readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India.

Geographical segment:

The analysis of geographical segments is based on the geographical location of the customers. The company operates in single geographical segment i.e. India.

18. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of Company's cash management.

19. Cash dividend and non-cash distribution to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

20. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

(i) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the right of use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

The Company has adopted modified retrospective approach as per para C8(c)(ii) of Ind AS 116 - "Leases" for its store, warehouse, office premises and other assets taken on leases, effective from the annual reporting period beginning April 1, 2019. In the statement of profit and loss for the current year, operating lease expenses has been changed from rent to depreciation charge for the right of use assets and finance cost for interest accrued on lease liability.

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The Company has recognised a right of use assets (an amount equal to the lease liability, adjusted by the prepaid lease rent).

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease
- For leases which are expired and under discussion for renewal, the Company considers such leases as short term leases since, the Company is not certain that option to extend the lease will be exercised as lessor has right to terminate the lease.

(ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions, particularly those relating to Deduction / allowance with respect to 80JJAA, allowance of education cess as tax deductible expenditure, etc. The Company, based on prudent basis has made provision for tax in respect to these un-certain tax treatments.

(iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments have no impact on the financial statements of the Company.

(iv) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

(a) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
(b) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

(v) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The Company does not have any investment in associate or have joint venture and hence, these amendments had no impact on the financial statements as the Company is in compliance with the said amendment.

Annual Improvements to Ind AS 2018

- **Ind AS 103 Business Combinations**

  There is no transaction on which Ind AS 103 on business combination is applicable, hence these amendments had no impact on the standalone financial statements of the Company as there is no transaction where joint control is obtained.

- **Ind AS 111 Joint Arrangements**

  An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

  These amendments had no impact on the financial statements of the company as there is no transaction where a joint control is obtained.

- **Ind AS 12 Income Taxes**

  The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

  An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

- **Ind AS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

PRINCIPAL COMPONENTS OF REVENUE AND EXPENDITURE

Revenue

Our total revenues comprise the following, with respect to the relevant Fiscals / Periods indicated:

Relevant Fiscal / Period	Particulars
Fiscal 2018	Revenue from operations
	Other income
Fiscal 2019	Revenue from operations
	Other income
	Finance income
Fiscal 2020	Revenue from contracts with customer
	Other income
	Finance income
Nine months ended December 31, 2019	Revenue from contracts with customer
	Other income
	Finance income
Nine months ended December 31, 2020	Revenue from contracts with customer
	Other income
	Finance income

Revenue from operations / contracts with customers

Revenue from operations / contracts with customers includes (i) sale of products / traded goods and (ii) other operating revenue.

Other income

Other income includes (i) liabilities written back, (ii) profit on sale of investments (net), (iii) income on investment designated at fair value through profit or loss ("**FVTPL**"), and (iv) miscellaneous income.

Finance income

Finance income comprises interest income on items at amortised cost, which includes (i) bank deposits, (ii) interest on fair valuation of security deposits, and (iii) others.

Expenses

Our total expenses include (i) purchase of traded goods, (ii) (increase) in inventories, (iii) employee benefits expense, (iv) finance costs, (v) depreciation and amortization expense, and (vi) other expenses.

Purchase of traded goods

Purchase of traded goods comprises the purchase of goods such as readymade fashion apparel and fashion accessories, home furnishings such as curtains, bedsheets, towels, among others, footwear, and FMCG and kirana (including such as staples, snacks, spices) products.

(Increase) in inventories

(Increase) in inventories includes the changes in (i) traded goods (including stock in transit) and (ii) packing material and accessories.

Employee benefits expense

Employee benefits expense includes (i) salaries, wages and bonus, (ii) gratuity expenses, (iii) employee stock option scheme, (iv) contribution to provident and other funds, and (v) staff welfare.

Finance costs

Finance costs include (i) interest expenses on lease liability and cash credit facilities and (ii) other borrowing costs.

Depreciation and amortization expense

Depreciation and amortization expense includes (i) depreciation of tangible assets, (ii) depreciation of right-of-use assets, and (iii) amortization of intangible assets.

Other expenses

Other expenses includes, among others (i) rent, (ii) power and fuel, (iii) advertisement and sales promotion, (iv) packing materials and expenses, (v) repairs and maintenance of building and others, and (vi) security expenses.

NON-GAAP MEASURES

Certain non-GAAP measures like EBITDA, EBITDA margin, ROE and ROCE, ("**Non-GAAP Measures**") presented in this Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. See "*Risk Factors – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.*" on page 64.

Reconciliation of EBITDA and EBITDA margin to profit for the year / period

The table below reconciles profit for the year/ period to EBITDA. EBITDA is calculated as profit for the year/ period plus total tax expenses, depreciation and amortization expenses, and finance costs and exceptional items less other income and finance income, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations / contracts with customers.

(*₹ lakh*)

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	Nine months ended	
				December 31, 2019	December 31, 2020
Profit / (loss) for the year / period	7,770.41	6,162.62	4,934.53	5,778.03	(472.83)
Adjustments:					
Add: Total tax expense	3,476.26	3,818.48	2,018.49	2,219.97	(264.60)
Add: Finance costs	152.89	161.27	5,478.39	4,091.72	4,430.95
Add: Depreciation and amortization expense	2,293.12	2,762.57	9,392.28	6,871.10	7,741.56
Add: Exceptional items	-	979.94	-	-	-
Less: Other income	414.11	411.79	347.22	292.77	1,548.52
Less: Finance income	-	180.51	100.74	76.64	121.11
EBITDA (A)	**13,278.57***	**13,292.58**	**21,375.73**	**18,591.41**	**9,765.45**

Revenue from operations / contracts with customers (B)	122,237.19	143,374.48	166,202.33	132,936.08	72,358.76
EBITDA Margin (A/B)	**10.86%**	**9.27%**	**12.86%**	**13.99%**	**13.50%**

** Please note that EBITDA as represented in audited financial statements as at and for the year ended March 31, 2018, included other income.*
***Note**: Please note that our Company adopted the Ind AS 116 accounting guidelines with effect from April 1, 2019, which required lessee to recognize present value of minimum lease payments to be made over the lease period, as a ROU on the balance sheet.*

Reconciliation of return on capital employed

Return on capital employed is calculated on the basis of EBIT (as calculated by EBITDA as adjusted by adding other income and finance income and subtracting depreciation and amortization expense), as divided by average capital employed, as included in the table below:

(*₹ lakh*)

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	Nine months ended	
				December 31, 2019	December 31, 2020
EBITDA (A)	13,278.57	13,292.58	21,375.73	18,591.41	9,765.45
Adjustments:					
Add: Other income (B)	414.11	411.79	347.22	292.77	1,548.52
Add: Finance income (C)	-	180.51	100.74	76.64	121.11
Less: Depreciation and amortization expense (D)	2,293.12	2,762.57	9,392.28	6,871.10	7,741.56
EBIT (E=A+B+C-D)	**11,399.56**	**11,122.31**	**12,431.41**	**12,089.72**	**3,693.52**
Equity (F)	34,744.14	40,927.04	45,893.19	46,658.59	45,446.60
Non-current liabilities (G)	839.53	1,112.88	44,396.07	48,169.47	49,667.36
Capital Employed (H=F+G)	**35,583.67**	**42,039.92**	**90,289.26**	**94,828.06**	**95,113.96**
Closing capital employed (I)	35,583.67	42,039.92	90,289.26	94,828.06	95,113.96
Opening capital employed (J)	27,724.00	35,583.67	42,039.92	42,039.92	90,289.26
Average Capital Employed [K = (I + J) / 2]	**31,653.84**	**38,811.80**	**66,164.59**	**68,433.99**	**92,701.61**
ROCE = E / K	**36.01%**	**28.66%**	**18.79%**	**17.67%**	**3.98%**

Note:
1. *ROCE is an indicator of a company's return on total capital employed in business which includes both debt and equity. EBIT represents earnings before interest and tax and is used for calculating ROCE.*
2. *Our Company adopted the Ind AS 116 accounting guidelines with effect from April 1, 2019, which required lessee to recognize present value of minimum lease payments to be made over the lease period, as a ROU on the balance sheet.*

Reconciliation of return on equity

Return on equity is calculated on the basis of profit for the year / period as divided by average equity, as included in the table below:

(*₹ lakh*)

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	Nine months ended	
				December 31, 2019	December 31, 2020
Profit / (loss) for the year / period (A)	7,770.41	6,162.62	4,934.53	5,778.03	(472.83)
Equity	34,744.14	40,927.04	45,893.19	46,658.59	45,446.60
Closing equity (B)	34,744.14	40,927.04	45,893.19	46,658.59	45,446.60
Opening equity (C)	27,003.78	34,744.14	40,927.04	40,927.04	45,893.19
Average Equity [D = (B + C) / 2]	30,873.96	37,835.59	43,410.12	43,792.82	45,669.90
ROE (A / D)	**25.17%**	**16.29%**	**11.37%**	**13.19%**	**(1.04%)**

***Note:** Our Company adopted the Ind AS 116 accounting guidelines with effect from April 1, 2019, which required lessee to recognize present value of minimum lease payments to be made over the lease period, as a ROU on the balance sheet.*

Interest Coverage Ratio

Interest Coverage Ratio is calculated on the basis on profit before interest and tax ((profit / (loss) for the year / period plus finance costs, tax expenses, exceptional items, less finance income) divided by finance costs, for the relevant fiscal year / period.

(*₹ in lakh, except stated otherwise*)

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	Nine months ended	
				December 31, 2019	December 31, 2020
Profit / (loss) for the year / period (A)	7,770.41	6,162.62	4,934.53	5,778.03	(472.83)
Add: Total tax expense (B)	3,476.26	3,818.48	2,018.49	2,219.97	(264.60)
Add: Finance costs (C)	152.89	161.27	5,478.39	4,091.72	4,430.95
Less: Finance income (D)	0.00	180.51	100.74	76.64	121.11
Add: Exceptional items (E)	-	979.94	-	-	-
Profit before interest and tax [F = (A + B + C - D + E)]	11,399.56	10,941.80	12,330.67	12,013.08	3,572.41
Interest Coverage Ratio* (in times) (F / C)	**74.56**	**67.85**	**2.25**	**2.94**	**0.81**

Note:

1. *Interest Coverage Ratio indicates the safety cover available for payment of interest on debt during a particular period. It measures how many times a company can cover its current interest payment with its available earnings.*
2. *Our Company adopted the Ind AS 116 accounting guidelines with effect from April 1, 2019, which required lessee to recognize present value of minimum lease payments to be made over the lease period, as a ROU on the balance sheet.*

Key Performance Indicators

Certain non-GAAP financial measures and certain other industry measures, such as repeat sales, sales per sq. ft. per month, store area, bill cuts, inventory turnover ratio, average transaction size, footfall at our stores, and shrinkage, relating to our operations and financial performance have been included in this Placement Document.

We compute and disclose such non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of retail business, many of which provide such non-GAAP financial and operational measures, and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our Audited Financial Statements as reported under applicable accounting standards disclosed elsewhere in this Placement Document. These non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry related statistical information of similar nomenclature that may be computed and presented by other retail companies.

For further information, see "*Risk Factors – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable." and "Industry Overview"* on pages 64 and 135, respectively.

The following table provides details of certain operational key performance indicators of our business for the periods indicated:

(*₹ in lakh*)

Particulars	Fiscal			Nine months ended December 31	
	2018	2019	2020	2019	2020
Repeat sales[(1)]	46.00%	52.00%	58.00%	63.00%	72.79%
Sales per sq. ft. per month (*in ₹*)[(2)]	826.97	806.33	758.25	804.39	516.76
Store area (*in lakh sq. ft.*) [(3)]	14.53	18.14	22.08	21.48	22.65
Bill cuts (*in lakh*) [(4)]	172.27	201.72	223.56	179.16	83.70
Inventory turnover ratio (*on revenue from contract with customers or revenue from operations*) [(5)]	4.24	4.51	4.26	2.57	3.82
Average transaction size (*in ₹*)[(6)]	750.82	754.13	788.87	787.39	917.92
Footfall at our stores (*in lakh*) [(7)]	304.19	349.59	392.82	311.16	132.77
Shrinkage[(8)]	1.30%	0.90%	1.60%	1.60%	2.32%

(1) Repeat Sales: Repeat sales is indicative of any customer shopping more than once at our stores.
(2) Sales per sq. ft. per month: Sales per sq. ft. per month refers to sales (inclusive of taxes) as divided by effective store area for the period.
(3) Store area: Store area refers to the total carpet area covered by the store.
(4) Bill cuts: Bill cuts refers to the number of invoices generated during specified period.
(5) Inventory turnover ratio: Inventory turnover ratio refers to total days for the period as divided by days of inventory (on revenue from operations / contract with customers, as applicable). Further, days of inventory refers to the average inventory for the period as divided by total revenues per effective day.
(6) Average transaction size: Average transaction size refers to the total sales (inclusive of taxes) as divided by total bill cuts for the period.
(7) Footfall at our stores: Footfall at our stores refers to the number of persons coming into our stores.
(8) Shrinkage: Shrinkage includes provisions for slow moving and old inventory.

RESULTS OF OPERATIONS

The following table sets forth certain information relating to our results of operations for the Fiscals indicated:

Particulars	Fiscal 2018		Fiscal 2019		Fiscal 2020	
	₹ in lakh	% of total revenues	₹ in lakh	% of total revenues	₹ in lakh	% of total revenues
Revenue						
Revenue from operations / contracts with customers	122,237.19	99.66%	143,374.48	99.59%	166,202.33	99.73%
Other income	414.11	0.34%	411.79	0.29%	347.22	0.21%
Finance income	-	-	180.51	0.13%	100.74	0.06%
Total revenues (I)	**122,651.30**	**100.00%**	**143,966.78**	**100.00%**	**166,650.29**	**100.00%**
Expenses						
Purchase of traded goods	86,820.49	70.79%	99,216.07	68.92%	127,520.03	76.52%
(Increase) in inventories	(3,793.65)	(3.09%)	(2,187.21)	(1.52%)	(14,893.83)	(8.94%)
Employee benefits expense	9,839.05	8.02%	12,572.51	8.73%	15,362.51	9.22%
Finance costs	152.89	0.12%	161.27	0.11%	5,478.39	3.29%
Depreciation and amortization expense	2,293.12	1.87%	2,762.57	1.92%	9,392.28	5.64%
Other expenses	16,092.73	13.12%	20,480.53	14.23%	16,837.89	10.10%
Total expenses (II)	**111,404.63**	**90.83%**	**133,005.74**	**92.39%**	**159,697.27**	**95.83%**
Profit before exceptional items and tax (I) – (II)	**11,246.67**	**9.17%**	**10,961.04**	**7.61%**	**6,953.02**	**4.17%**
Exceptional items	-	-	979.94	0.68%	-	0.00%
Profit before tax	**11,246.67**	**9.17%**	**9,981.10**	**6.93%**	**6,953.02**	**4.17%**
Tax expense						
Current tax (including earlier years)	3,625.60	2.96%	4,062.21	2.82%	2,436.35	1.46%
Deferred tax credit	(149.34)	(0.12%)	(243.73)	(0.17%)	(417.86)	(0.25%)
Total tax expense	**3,476.26**	**2.83%**	**3,818.48**	**2.65%**	**2,018.49**	**1.21%**
Profit for the year	**7,770.41**	**6.34%**	**6,162.62**	**4.28%**	**4,934.53**	**2.96%**
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligations	44.01	0.04%	(54.83)	(0.04%)	(1.52)	0.00%
Income tax on above	(15.23)	(0.01%)	19.16	0.01%	0.38	0.00%
Total other comprehensive income	**28.78**	**0.02%**	**(35.67)**	**(0.02%)**	**(1.14)**	**0.00%**
Total comprehensive income for the year	**7,799.19**	**6.36%**	**6,126.95**	**4.26%**	**4,933.39**	**2.96%**

The following table sets forth certain information relating to our results of operations for the nine months ended December 31, 2019 and nine months ended December 31, 2020:

Particulars	Nine months ended December 31, 2019		Nine months ended December 31, 2020	
	₹ in lakh	% of total revenues	₹ in lakh	% of total revenues
Income				
I. Revenue from contracts with customers	132,936.08	99.72%	72,358.76	97.74%
II. Other income	292.77	0.22%	1,548.52	2.09%
III. Finance Income	76.64	0.06%	121.11	0.16%
IV. **Total revenues (I + II + III)**	**133,305.49**	**100.00%**	**74,028.39**	**100.00%**
V. **Expenses**				
Purchase of traded goods	100,101.97	75.09%	29,645.62	40.05%

Particulars	Nine months ended December 31, 2019		Nine months ended December 31, 2020	
	₹ in lakh	% of total revenues	₹ in lakh	% of total revenues
(Increase) / decrease in inventories of stock-in-trade	(11,248.84)	(8.44%)	18,010.64	24.33%
Employee benefits expense	11,687.35	8.77%	8,134.00	10.99%
Finance costs	4,091.72	3.07%	4,430.95	5.99%
Depreciation and amortization expense	6,871.10	5.15%	7,741.56	10.46%
Other expenses	13,804.19	10.36%	6,803.05	9.19%
Total expenses (IV)	**125,307.49**	**94.00%**	**74,765.82**	**101.00%**
VI. **Profit / (loss) before tax (V – VI)**	**7,998.00**	**6.00%**	**(737.43)**	**(1.00%)**
VII. **Tax expense**				
Current tax (including earlier years)	2,557.88	1.92%	393.19	0.53%
Deferred tax (credit)	(337.91)	(0.25%)	(657.79)	(0.89%)
Total tax expense (VIII)	**2,219.97**	**1.67%**	**(264.60)**	**(0.36%)**
VIII. **Profit / (loss) for the period (VII – VIII)**	**5,778.03**	**4.33%**	**(472.83)**	**(0.64%)**
IX. **Other comprehensive income**				
Items that will not be reclassified to statement of profit or loss				
(i) Remeasurement of net defined benefit obligations	(39.89)	(0.03%)	(68.95)	(0.09%)
(ii) Income tax on above	10.04	0.01%	17.35	0.02%
Total other comprehensive income (X)	**(29.85)**	**(0.02%)**	**(51.60)**	**(0.07%)**
X. **Total comprehensive income for the period (IX + X)**	**5,748.18**	**4.31%**	**(524.43)**	**(0.71%)**

NINE MONTHS ENDED DECEMBER 31, 2020 COMPARED WTH NINE MONTHS ENDED DECEMBER 31, 2019

Revenue

Total revenues decreased by ₹ 59,277.10 lakh or by 44.47%, from ₹ 133,305.49 lakh in the nine months ended December 31, 2019 to ₹ 74,028.39 lakh in the nine months ended December 31, 2020.

Revenue from contracts with customers

Our revenue from contracts with customers decreased by ₹ 60,577.32 lakh, or by 45.57%, from ₹ 132,936.08 lakh in the nine months ended December 31, 2019 to ₹ 72,358.76 lakh in the nine months ended December 31, 2020.

Other income

Other income increased by ₹ 1,255.75 lakh or by 428.92%, from ₹ 292.77 lakh in the nine months ended December 31, 2019 to ₹ 1,548.52 lakh in the nine months ended December 31, 2020.

Finance income

Finance income increased by ₹ 44.47 lakh or by 58.02%, from ₹ 76.64 lakh in the nine months ended December 31, 2019 to ₹ 121.11 lakh in the nine months ended December 31, 2020.

Expenses

Total expenses decreased by ₹ 50,541.67 lakh or by 40.33%, from ₹ 125,307.49 lakh in the nine months ended December 31, 2019 to ₹ 74,765.82 lakh in the nine months ended December 31, 2020. This was primarily due to a decrease in the purchase of traded goods, employee benefits expense, other expenses as well as a decrease in (increase) in inventories. This was partially offset by an increase in finance costs and depreciation and amortization expense.

Purchase of traded goods

Purchase of traded goods decreased by ₹ 70,456.35 lakh or by 70.38%, from ₹ 100,101.97 lakh in the nine months ended December 31, 2019 to ₹ 29,645.62 lakh in the nine months ended December 31, 2020. This was primarily due to the fact that, except for limited purchase of FMCG products, our Company suspended its purchases from April onwards in light of the uncertainty caused by the mandatory lockdown imposed across India due to COVID-19. We commenced our normal purchase operations in August 2020 after majority of our stores resumed operations.

(Increase) in inventories

(Increase) in inventories decreased by ₹ 29,259.48 lakh or by 260.11%, from ₹ (11,248.84) lakh in the nine months ended December 31, 2019 to ₹ 18,010.64 lakh in the nine months ended December 31, 2020.

Employee benefits expense

Employee benefits expense decreased by ₹ 3,553.35 lakh or by 30.40%, from ₹ 11,687.35 lakh in the nine months ended December 31, 2019 to ₹ 8,134.00 lakh in the nine months ended December 31, 2020.

Finance costs

Finance costs increased by ₹ 339.23 lakh or by 8.29%, from ₹ 4,091.72 lakh in the nine months ended December 31, 2019 to ₹ 4,430.95 lakh in the nine months ended December 31, 2020.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by ₹ 870.46 lakh or by 12.67%, from ₹ 6,871.10 lakh in the nine months ended December 31, 2019 to ₹ 7,741.56 lakh in the nine months ended December 31, 2020.

Other expenses

Other expenses decreased by ₹ 7,001.14 lakh or by 50.72%, from ₹ 13,804.19 lakh in the nine months ended December 31, 2019 to ₹ 6,803.05 lakh in the nine months ended December 31, 2020.

Profit / (loss) before tax

Our profit before tax decreased by ₹ 8,735.43 lakh or by 109.22%, from ₹ 7,998.00 lakh in the nine months ended December 31, 2019 to ₹ (737.43) lakh in the nine months ended December 31, 2020.

Tax expense

Total tax expense decreased by ₹ 2,484.57 lakh or by 111.92%, from ₹ 2,219.97 lakh in the nine months ended December 31, 2019 to ₹ (264.60) lakh in the nine months ended December 31, 2020. This was primarily due to a decrease in current tax from ₹ 2,557.88 lakh in the nine months ended December 31, 2019 to ₹ 393.19 lakh in the nine months ended December 31, 2020. This was partially offset by a decrease in deferred tax from ₹ (337.91) lakh in the nine months ended December 31, 2019 to ₹ (657.79) lakh in the nine months ended December 31, 2020.

Profit / (loss) for the period

We recorded a profit for the period amounting to ₹ 5,778.03 lakh in the nine months ended December 31, 2019, whereas we incurred a loss for the period amounting to ₹ (472.83) lakh in the nine months ended December 31, 2020.

Total comprehensive income for the year

Total comprehensive income for the year was ₹ 5748.18 lakh in the nine months ended December 31, 2019 as compared with ₹ (524.43) lakh in the nine months ended December 31, 2020.

FISCAL 2020 COMPARED WITH FISCAL 2019

Revenue

Total revenues increased by ₹ 22,683.51 lakh or by 15.76%, from ₹ 143,966.78 lakh in Fiscal 2019 to ₹ 166,650.29 lakh in Fiscal 2020 for the reasons discussed below.

Revenue from operations / contracts with customers

The revenue from operations in Fiscal 2019 was ₹ 143,374.48 lakh whereas the revenue from contracts with customers in Fiscal 2020 was ₹ 166,202.33 lakh, resulting in an increase in the revenue from operations / contracts with customers by ₹ 22,827.85 lakh, or by 15.92%. This was primarily due to an increase in sale of products / traded goods by ₹ 22,941.96 lakh or by 16.02%, from ₹ 143,217.07 lakh in Fiscal 2019 to ₹ 166,159.03 lakh in Fiscal 2020. This was on account of the fact that our Company had opened 55 new stores during the year.

However, this was partially offset by a decrease in other operating revenue by ₹ 114.11 lakh or by 72.49%, from ₹ 157.41 lakh in Fiscal 2019 to ₹ 43.30 lakh in Fiscal 2020. This was primarily due to a reduction in the same store sales growth which was on account of (i) diversification into newer geographies as stores set up in new locations such as in West Bengal and Odisha took a longer ramp-up time for building brand salience; (ii) higher competition from regional retailers; (iii) experimenting in Tier-IV towns and cities, which were new markets for the Company; and (iv) near-total store shutdown in the second half of March 2020, mandated by the Government to contain COVID-19 pandemic leading to a significant decline in our revenues.

Other income

Other income decreased by ₹ 64.57 lakh or by 15.68%, from ₹ 411.79 lakh in Fiscal 2019 to ₹ 347.22 lakh in Fiscal 2020. This was primarily due to a decrease in liabilities written back from ₹ 148.48 lakh in Fiscal 2019 to ₹ 98.06 lakh in Fiscal 2020 and a decrease in the income on investment designated at FVTPL from ₹ 66.97 lakh in Fiscal 2019 to ₹ 32.51 lakh in Fiscal 2020. This was partially offset by an increase in profit on sale of investments (net) from ₹ 184.12 lakh in Fiscal 2019 to ₹ 184.86 lakh in Fiscal 2020, and increase in miscellaneous income from ₹ 12.22 lakh in Fiscal 2019 to ₹ 31.79 lakh in Fiscal 2020. This increase in miscellaneous income was primarily due to insurance recovery for loss of merchandise and assets.

Finance income

Finance income decreased by ₹ 79.77 lakh or by 44.19%, from ₹ 180.51 lakh in Fiscal 2019 to ₹ 100.74 lakh in Fiscal 2020. This was a result of the change in interest income on certain items at amortised cost, including (i) a decrease in interest on bank deposits from ₹ 9.35 lakh in Fiscal 2019 to ₹ 8.42 lakh in Fiscal 2020, (ii) an increase in interest on fair valuation of security deposits from ₹ 68.31 lakh in Fiscal 2019 to ₹ 91.13 lakh in Fiscal 2020, and (iii) a significant decrease in others from ₹ 102.85 lakh in Fiscal 2019 to ₹ 1.19 lakh in Fiscal 2020.

Expenses

Total expenses increased by ₹ 26,691.53 lakh or by 20.07%, from ₹ 133,005.74 lakh in Fiscal 2019 to ₹ 159,697.27 lakh in Fiscal 2020. This was primarily due to an increase in the purchase of traded goods, employee benefits expense, finance costs, depreciation and amortization expense as well as a rise in (increase) in inventories. This was partially offset by a decrease in other expenses.

Purchase of traded goods

Purchase of traded goods increased by ₹ 28,303.96 lakh or by 28.53%, from ₹ 99,216.07 lakh in Fiscal 2019 to ₹ 127,520.03 lakh in Fiscal 2020. This was primarily in order to cater to the inventory requirement of the 55 new stores that were launched during the financial year.

(Increase) in inventories

(Increase) in inventories increased by ₹ 12,706.62 lakh or by 580.95%, from ₹ (2,187.21) lakh in Fiscal 2019 to ₹ (14,893.83) lakh in Fiscal 2020. In Fiscal 2019, our inventories at the beginning of the period was ₹ 30,711.20 lakh whereas our inventories at the end of the period was ₹ 32,898.41 lakh. In comparison, in Fiscal 2020, our inventories at the beginning of the period was ₹ 32,898.41 lakh whereas our inventories at the end of the period was ₹ 47,792.24 lakh.

Employee benefits expense

Employee benefits expense increased by ₹ 2,790.00 lakh or by 22.19%, from ₹ 12,572.51 lakh in Fiscal 2019 to ₹ 15,362.51 lakh in Fiscal 2020. This was primarily due to an increase in salaries, wages and bonus from ₹ 10,369.58 lakh in Fiscal 2019 to ₹ 12,854.56 lakh in Fiscal 2020; gratuity expenses from ₹ 174.44 lakh in Fiscal 2019 to ₹ 197.46 lakh in Fiscal 2020; contribution to provident and other funds from ₹ 757.71 lakh in Fiscal 2019 to ₹ 943.92 lakh in Fiscal 2020; and staff welfare from ₹ 964.25 lakh in Fiscal 2019 to ₹ 1,095.31 lakh in Fiscal 2020. This was partially offset by a decrease in expenses towards employee stock option scheme from ₹ 306.53 lakh in Fiscal 2019 to ₹ 271.26 lakh in Fiscal 2020.

Finance costs

Finance costs increased by ₹ 5,317.12 lakh or by 3,297.03%, from ₹ 161.27 lakh in Fiscal 2019 to ₹ 5,478.39 lakh in Fiscal 2020. This was primarily due to an increase in interest on cash credit facilities from ₹ 114.43 lakh in Fiscal 2019 to ₹ 308.72 lakh in Fiscal 2020. Further, our Company incurred interest on lease liability of ₹ 5,141.80 lakh in Fiscal 2020. This was partially offset by a decrease in other borrowing costs ₹ 46.84 lakh in Fiscal 2019 to ₹ 27.87 lakh in Fiscal 2020.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by ₹ 6,629.71 lakh or by 239.98%, from ₹ 2,762.57 lakh in Fiscal 2019 to ₹ 9,392.28 lakh in Fiscal 2020. This was due to an increase in depreciation of tangible assets from ₹ 2,661.90 lakh in Fiscal 2019 to ₹ 3,136.33 lakh in Fiscal 2020 and amortisation of intangible assets from ₹ 100.67 lakh in Fiscal 2019 to ₹ 110.67 lakh in Fiscal 2020. Further, we incurred expense on depreciation of right-of-use assets amounting to ₹ 6,145.28 lakh in Fiscal 2020.

Other expenses

Other expenses decreased by ₹ 3,642.64 lakh or by 17.79%, from ₹ 20,480.53 lakh in Fiscal 2019 to ₹ 16,837.89 lakh in Fiscal 2020. This was primarily due to a decrease in rent from ₹ 6,717.05 lakh in Fiscal 2019 to ₹ 1,188.38 lakh in Fiscal 2020. This was owing to adoption of Ind AS 116 accounting guidelines with effect from April 1, 2019, which required lessee to recognize present value of minimum lease payments to be made over the lease period, as a right of use asset ("**ROU**") on the balance sheet. In addition, the decrease in other expenses was due to a decrease in (i) commission from ₹ 173.30 lakh in Fiscal 2019 to ₹ 109.41 lakh in Fiscal 2020, (ii) expenses on legal and professional from ₹ 574.74 lakh in Fiscal 2019 to ₹ 569.14 lakh in Fiscal 2020, (iii) printing and stationery from ₹ 107.80 lakh in Fiscal 2019 to ₹ 83.22 lakh in Fiscal 2020, and (iv) commission to independent directors from ₹ 57.22 lakh in Fiscal 2019 to ₹ 49.32 lakh in Fiscal 2020. Further, while we incurred an expense on fair valuation of security deposits of ₹ 76.63 lakh in Fiscal 2019, no such expense was incurred in Fiscal 2020.

Such decrease in other expenses was partially offset by an increase in expenses on (i) power and fuel from ₹ 4,223.79 lakh in Fiscal 2019 to ₹ 4,877.66 lakh in Fiscal 2020, (ii) advertisement and sales promotion from ₹ 3,393.12 lakh in Fiscal 2019 to ₹ 3,536.81 lakh in Fiscal 2020, (iii) packing materials and expenses from ₹ 862.18 lakh in Fiscal 2019 to ₹ 1,147.66 lakh in Fiscal 2020, (iv) repairs and maintenance - building from ₹ 186.87 lakh in Fiscal 2019 to ₹ 230.04 lakh in Fiscal 2020, (v) repairs and maintenance - others from ₹ 1,188.23 lakh in Fiscal 2019 to ₹ 1,441.55 lakh in Fiscal 2020, (vi) security expenses from ₹ 1,330.56 lakh in Fiscal 2019 to ₹ 1,429.53 lakh in Fiscal 2020, (vii) communication from ₹ 120.74 lakh in Fiscal 2019 to ₹ 164.79 lakh in Fiscal 2020, (viii) travelling and conveyance from ₹ 461.34 lakh in Fiscal 2019 to ₹ 537.07 lakh in Fiscal 2020, (ix) credit card and cash collection charges from ₹ 393.55 lakh in Fiscal 2019 to ₹ 501.46 lakh in Fiscal 2020, (x) rates and taxes from ₹ 49.36 lakh in Fiscal 2019 to ₹ 71.91 lakh in Fiscal 2020, (xi) vehicle running expenses from ₹ 143.15 lakh in Fiscal 2019 to ₹ 182.33 lakh in Fiscal 2020, (xii) payment to auditors from ₹ 33.93 lakh in Fiscal 2019 to ₹ 41.27 lakh in Fiscal 2020, (xiii) insurance from ₹ 65.04 lakh in Fiscal 2019 to ₹ 88.84 lakh in Fiscal 2020, (xiv) loss on sale / write-off of fixed assets from ₹ 69.74 lakh in Fiscal 2019 to ₹ 118.08 lakh in Fiscal 2020, (xv) provision for doubtful advances from ₹ 19.87 lakh in Fiscal 2019 to ₹ 142.50 lakh in Fiscal 2020, (xvi) balances written off from ₹ 17.25 lakh in Fiscal 2019 to ₹ 18.15 lakh in Fiscal 2020, (xvii) expenses on CSR activities from ₹ 66.48 lakh in Fiscal 2019 to ₹ 108.77 lakh in Fiscal 2020, (xviii) donations from ₹ 0.73 lakh in Fiscal 2019 to ₹ 26.85 lakh in Fiscal 2020, (xix) directors' sitting fees from ₹ 6.50 lakh in Fiscal 2019 to ₹ 8.00 lakh in Fiscal 2020, and (xx) miscellaneous expenses from ₹ 141.36 lakh in Fiscal 2019 to ₹ 165.15 lakh in Fiscal 2020.

Profit before exceptional items and tax

For the reasons discussed above, our profit before exceptional items and tax decreased by ₹ 4,008.02 lakh or by 36.57%, from ₹ 10,961.04 lakh in Fiscal 2019 to ₹ 6,953.02 lakh in Fiscal 2020.

Additionally, our Company adopted the modified retrospective approach as per para C8(c)(ii) of Ind AS 116 – "Leases" for its store, warehouse, office premises and other assets taken on leases, effective from the annual reporting period beginning April 1, 2019. This has resulted in recognizing a right to use assets (an amount equal to the lease liability, adjusted by the prepaid lease rent) of ₹ 39,859.07 lakh as at April 1, 2019. In the statement of profit and loss for the year ended March 31, 2020, operating lease expenses was changed from rent to depreciation charge for the right to use assets and finance cost for interest accrued on lease liability. To this extent performance for the year ending March 31, 2020 was not comparable with the previous period results.

The effects of the transition on statement of profit and loss for the year ended March 31, 2020 was ₹ (3,060.15) lakh. For details, see Audited Financial Statements starting from page F-40.

Exceptional items

Exceptional items for Fiscal 2019 was ₹ 979.94 lakh. There were no exceptional items in Fiscal 2020. During Fiscal 2019, our Company had made an investment in commercial papers of Infrastructure Leasing & Financial Services ("**IL&FS**") amounting to ₹ 979.94 lakh, which were due for redemption on September 18, 2018. The aforesaid amount and interest thereon have, however, not been received as on reporting date. In view of the fact that there is significant uncertainty on recovery of the entire amount, our management has made a provision of the entire amount ₹ 979.94 lakh as at March 31, 2019.

Profit before tax

For the reasons discussed above, our profit before tax decreased by ₹ 3,028.08 lakh or by 30.34%, from ₹ 9,981.10 lakh in Fiscal 2019 to ₹ 6,953.02 lakh in Fiscal 2020.

Tax expense

Total tax expense decreased by ₹ 1,799.99 lakh or by 47.14%, from ₹ 3,818.48 lakh in Fiscal 2019 to ₹ 2,018.49 lakh in Fiscal 2020. This was primarily due to a decrease in current tax from ₹ 4,062.21 lakh in Fiscal 2019 to ₹ 2,436.35 lakh in Fiscal 2020.

This was on account of adoption of the new income tax regime allowing for a reduction in our tax expense which was 25.17% as a percentage of our as a percentage of gross taxable income in Fiscal 2020 as against 34.99% as a percentage of our profit before tax in Fiscal 2019. This was partially offset by a decrease in deferred tax from ₹ (243.73) lakh in Fiscal 2019 to ₹ (417.86) lakh in Fiscal 2020.

Profit for the year

For the various reasons discussed above, we recorded a profit for the year of ₹ 4,934.53 lakh in Fiscal 2020 as compared with ₹ 6,162.62 lakh in Fiscal 2019.

Total comprehensive income for the year

Total comprehensive income for the year was ₹ 4,933.39 lakh in Fiscal 2020 as compared with ₹ 6,126.95 lakh in Fiscal 2019.

FISCAL 2019 COMPARED WITH FISCAL 2018

Revenue

Total revenues increased by ₹ 21,315.48 lakh or by 17.38%, from ₹ 122,651.30 lakh in Fiscal 2018 to ₹ 143,966.78 lakh in Fiscal 2019 for the reasons discussed below.

Revenue from operations

Revenue from operations increased by ₹ 21,137.29 lakh or by 17.29%, from ₹ 122,237.19 lakh in Fiscal 2018 to ₹ 143,374.48 lakh in Fiscal 2019. This was primarily due to an increase in sale of products by ₹ 21,119.75 lakh or by 17.30%, from ₹ 122,097.32 lakh in Fiscal 2018 to ₹ 143,217.07 lakh in Fiscal 2019. This was primarily due to an increase in revenue driven by (i) the same store sales growth and contribution from new store openings; (ii) festive season sales including during Dussehra, Diwali, Chhath, and Holi; (iii) opening of 44 new stores including in Assam (six stores), Meghalaya (one store), Himachal Pradesh (two stores), increasing our Company's retail network presence to 17 states from 14 states at the close of the financial year. Further, the increase in revenue from operations was also a result of the increase in other operating revenue by ₹ 17.54 lakh or by 12.54%, from ₹ 139.87 lakh in Fiscal 2018 to ₹ 157.41 lakh in Fiscal 2019. This was primarily due to an increase in (i) display income; and (ii) shop in shop income (revenue from third party sales counter within our premises).

Other income

Other income decreased by ₹ 2.32 lakh or by 0.56%, from ₹ 414.11 lakh in Fiscal 2018 to ₹ 411.79 lakh in Fiscal 2019. This was primarily due to a decrease in miscellaneous income from ₹ 31.02 lakh in Fiscal 2018 to ₹ 12.22 lakh in Fiscal 2019. We also received dividend income of ₹ 47.14 lakh in Fiscal 2018, however no such income was received in Fiscal 2019. This decrease in miscellaneous income was primarily due to insurance recovery for loss of merchandise and assets. This was partially offset by an increase in liabilities written back from ₹ 26.35 lakh in Fiscal 2018 to ₹ 148.48 lakh in Fiscal 2019, profit on sale of investments (net) from ₹ 110.39 lakh in Fiscal 2018 to ₹ 184.12 lakh in Fiscal 2019, and income on investment designated at FVTPL from ₹ 50.64 lakh in Fiscal 2018 to ₹ 66.97 lakh in Fiscal 2019.

Finance income

Finance income was ₹ 180.51 lakh in Fiscal 2019. Finance income formed part of our other income in Fiscal 2018. Our finance income in Fiscal 2019 comprised interest on bank deposits of ₹ 9.35 lakh, and interest on fair valuation of security deposits of ₹ 68.31 lakh. Further, income through others was ₹ 102.85 lakh in Fiscal 2019.

Expenses

Total expenses increased by ₹ 21,601.11 lakh or by 19.39%, from ₹ 111,404.63 lakh in Fiscal 2018 to ₹ 133,005.74 lakh in Fiscal 2019. This was primarily due to an increase in the purchase of traded goods, employee benefits expense, finance costs, depreciation and amortization expense, and other expenses. This was partially offset by a decrease in (increase) in inventories.

Purchase of traded goods

Purchase of traded goods increased by ₹ 12,395.58 lakh or by 14.28%, from ₹ 86,820.49 lakh in Fiscal 2018 to ₹ 99,216.07 lakh in Fiscal 2019. This was primarily on account of higher same store sales and an increase in the inventory requirement of the 44 new stores opened during the financial year.

(Increase) in inventories

(Increase) in inventories decreased by ₹ 1,606.44 lakh or by 42.35%, from ₹ (3,793.65) lakh in Fiscal 2018 to ₹ (2,187.21) lakh in Fiscal 2019. In Fiscal 2018, our inventories at the beginning of the period was ₹ 26,917.55 lakh whereas our inventories at the end of the period was ₹ 30,711.20 lakh. In comparison, in Fiscal 2019, our inventories at the beginning of the period was ₹ 30,711.20 lakh whereas our inventories at the end of the period was ₹ 32,898.41 lakh.

Employee benefits expense

Employee benefits expense increased by ₹ 2,733.46 lakh or by 27.78%, from ₹ 9,839.05 lakh in Fiscal 2018 to ₹ 12,572.51 lakh in Fiscal 2019. This was primarily due to an increase in salaries, wages and bonus from ₹ 8,181.40

lakh in Fiscal 2018 to ₹ 10,369.58 lakh in Fiscal 2019; expenses towards employee stock option scheme from ₹ 118.67 lakh in Fiscal 2018 to ₹ 306.53 lakh in Fiscal 2019; and staff welfare from ₹ 740.49 lakh in Fiscal 2018 to ₹ 964.25 lakh in Fiscal 2019. This was partially offset by a decrease in contribution to provident and other funds from ₹ 798.49 lakh in Fiscal 2018 to ₹ 757.71 lakh in Fiscal 2019.

Finance costs

Finance costs increased by ₹ 8.38 lakh or by 5.48%, from ₹ 152.89 lakh in Fiscal 2018 to ₹ 161.27 lakh in Fiscal 2019. This was primarily due to a significant increase in other borrowing costs, from ₹ 18.85 lakh in Fiscal 2018 to ₹ 46.84 lakh in Fiscal 2019. This was owing to an increase in bank charges led by sanctioning of higher working capital limits. This was partially offset by a decrease in interest on cash credit facilities from ₹ 122.38 lakh in Fiscal 2018 to ₹ 114.43 lakh in Fiscal 2019. Further, while we had interest on others amounting to ₹ 11.66 lakh in Fiscal 2018, there was no such interest in Fiscal 2019.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by ₹ 469.45 lakh or by 20.47%, from ₹ 2,293.12 lakh in Fiscal 2018 to ₹ 2,762.57 lakh in Fiscal 2019. This was due to an increase in depreciation of tangible assets from ₹ 2,223.76 lakh in Fiscal 2018 to ₹ 2,661.90 lakh in Fiscal 2019 and amortisation of intangible assets from ₹ 69.36 lakh in Fiscal 2018 to ₹ 100.67 lakh in Fiscal 2019.

Other expenses

Other expenses increased by ₹ 4,387.80 lakh or by 27.27%, from ₹ 16,092.73 lakh in Fiscal 2018 to ₹ 20,480.53 lakh in Fiscal 2019. This was primarily due to an increase in expenses on (i) rent from ₹ 5,261.51 lakh in Fiscal 2018 to ₹ 6,717.05 lakh in Fiscal 2019, (ii) power and fuel from ₹ 3,370.09 lakh in Fiscal 2018 to ₹ 4,223.79 lakh in Fiscal 2019, (iii) advertisement and sales promotion from ₹ 2,619.51 lakh in Fiscal 2018 to ₹ 3,393.12 lakh in Fiscal 2019, (iv) repairs and maintenance of others from ₹ 783.56 lakh in Fiscal 2018 to ₹ 1,188.23 lakh in Fiscal 2019, (v) commission from ₹ 147.86 lakh in Fiscal 2018 to ₹ 173.30 lakh in Fiscal 2019, (vi) security expenses from ₹ 1,087.78 lakh in Fiscal 2018 to ₹ 1,330.56 lakh in Fiscal 2019, (vii) travelling and conveyance from ₹ 299.98 lakh in Fiscal 2018 to ₹ 461.34 lakh in Fiscal 2019, (viii) credit card and cash collection charges from ₹ 390.54 lakh in Fiscal 2018 to ₹ 393.55 lakh in Fiscal 2019, (ix) vehicle running expenses from ₹ 57.84 lakh in Fiscal 2018 to ₹ 143.15 lakh in Fiscal 2019, (x) expenses on legal and professional from ₹ 368.83 lakh in Fiscal 2018 to ₹ 574.74 lakh in Fiscal 2019, (xi) printing and stationery from ₹ 53.72 lakh in Fiscal 2018 to ₹ 107.80 lakh in Fiscal 2019, (xii) payment to auditors from ₹ 32.05 lakh in Fiscal 2018 to ₹ 33.93 lakh in Fiscal 2019, (xiii) insurance from ₹ 52.34 lakh in Fiscal 2018 to ₹ 65.04 lakh in Fiscal 2019, (xiv) loss on sale / write-off of fixed assets from ₹ 45.56 lakh (comprising loss on account of sale of fixed assets of ₹ 4.19 lakh and on account of fixed assets written off, of ₹ 41.37 lakh) in Fiscal 2018 to ₹ 69.74 lakh in Fiscal 2019, (xv) directors' sitting fees from ₹ 6.23 lakh in Fiscal 2018 to ₹ 6.50 lakh in Fiscal 2019, and (xvi) miscellaneous expenses from ₹ 137.80 lakh in Fiscal 2018 to ₹ 141.36 lakh in Fiscal 2019. In addition, provision for doubtful advances amounted to ₹ 19.87 lakh in Fiscal 2019 whereas there was no provision for doubtful advances in Fiscal 2018.

This was partially offset by a decrease in expenses on (i) repairs and maintenance of building from ₹ 205.91 lakh in Fiscal 2018 to ₹ 186.87 lakh in Fiscal 2019, (ii) communication from ₹ 154.35 lakh in Fiscal 2018 to ₹ 120.74 lakh in Fiscal 2019, (iii) rates and taxes from ₹ 70.64 lakh in Fiscal 2018 to ₹ 49.36 lakh in Fiscal 2019, (iv) balances written off from ₹ 54.95 lakh in Fiscal 2018 to ₹ 17.25 lakh in Fiscal 2019, (v) expenses on CSR activities from ₹ 117.55 lakh in Fiscal 2018 to ₹ 66.48 lakh in Fiscal 2019, (vi) donations from ₹ 4.70 lakh in Fiscal 2018 to ₹ 0.73 lakh in Fiscal 2019, and (vii) commission to independent directors from ₹ 77.79 lakh in Fiscal 2018 to ₹ 57.22 lakh in Fiscal 2019.

Profit before exceptional items and tax

For the reasons discussed above, our profit before exceptional items and tax decreased by ₹ 285.62 lakh or by 2.54% from ₹ 11,246.67 lakh in Fiscal 2018 to ₹ 10,961.04 lakh in Fiscal 2019.

Exceptional items

Exceptional items for Fiscal 2019 was ₹ 979.94 lakh. There were no exceptional items in Fiscal 2018.

Profit before tax

For the reasons discussed above, our profit before tax decreased by ₹ 1,265.57 lakh or by 11.25% from ₹ 11,246.67 lakh in Fiscal 2018 to ₹ 9,981.10 lakh in Fiscal 2019.

Tax expense

Total tax expense increased by ₹ 342.22 lakh or by 9.84%, from ₹ 3,476.26 lakh in Fiscal 2018 to ₹ 3,818.48 lakh in Fiscal 2019. This was primarily due to an increase in current tax (including earlier years) from ₹ 3,625.60 lakh in Fiscal 2018 to ₹ 4,062.21 lakh in Fiscal 2019 and deferred tax from ₹ (149.34) lakh in Fiscal 2018 to ₹ (243.73) lakh in Fiscal 2019.

Profit for the year

For the various reasons discussed above, we recorded a profit for the year of ₹ 6,162.62 lakh in Fiscal 2019 as compared with ₹ 7,770.41 lakh in Fiscal 2018.

Total comprehensive income for the year

Total comprehensive income for the year was ₹ 6,126.95 lakh in Fiscal 2019 as compared with ₹ 7,799.19 lakh in Fiscal 2018.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through internal accruals from our operations and debt financing. From time to time, we may obtain loan facilities to finance our working capital requirements. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Indebtedness*" on page 130.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Fiscal 2020	Fiscal 2019	Fiscal 2018
	(₹ in lakh)				
Net cash flow from operating activities	4,384.75	17,266.94	8,629.84	7,634.30	6,433.76
Net cash from / (used in) investing activities	2,008.39	(6,500.89)	51.28	(7,337.18)	(1,505.99)
Net cash (used in) / generated from financing activities	(6,524.15)	(5,389.44)	(9,432.00)	(439.13)	(3,840.36)
Net (decrease) / increase in cash and cash equivalents	(131.01)	5,376.61	(750.88)	(142.00)	1,087.41
Cash and cash equivalents at the beginning of the period / year	1,231.71	480.83	1,231.71	1,373.71	286.30
Cash and cash equivalents at the end of the period / year	1,100.70	5,857.44	480.83	1,231.71	1,373.71

Operating activities

Nine months ended December 31, 2020

Net cash flow from operating activities was ₹ 17,266.94 lakh in the nine months ended December 31, 2020. Profit before income tax was ₹ (737.43) lakh in the nine months ended December 31, 2020. Adjustments to reconcile profit before tax to net cash flows primarily consisted of (i) depreciation and amortization expense of ₹ 7,741.56 lakh; (ii) loss on sale / write-off of fixed assets of ₹ 46.13 lakh; (iii) provision against doubtful advances of ₹ 17.18 lakh; (iv) balances written off of ₹ 5.85 lakh; (v) finance costs of ₹ 4,430.95 lakh; (vi) rent concession on lease rentals of ₹ (2,277.58) lakh; (vii) interest income of ₹ (121.11) lakh; (viii) profit on sale of investments (net) of ₹

(4.89) lakh, (ix) income on investment designated at FVTPL of ₹ (49.00) lakh; and (x) liabilities written back of ₹ (47.96) lakh. Operating profit before working capital changes was ₹ 9,003.70 lakh in the nine months ended December 31, 2020.

The changes in working capital in the nine months ended December 31, 2020, included decrease in other assets of ₹ 1,227.55 lakh, decrease in inventories of ₹ 18,010.64 lakh and increase in provisions of ₹ 58.51 lakh. This was partially offset by an increase in financial assets of ₹ 115.02 lakh, decrease in trade payables of ₹ 9,648.58, decrease in other financial liabilities of ₹ 990.45 lakh and decrease in other liabilities of ₹ 270.30 lakh. Accordingly, the cash flow from operations in the nine months ended December 31, 2020 amounted to ₹ 17,276.05 lakh. Taxes paid (net of refunds) amounted to ₹ 9.11 lakh.

Nine months ended December 31, 2019

Net cash flow from operating activities was ₹ 4,384.75 lakh in the nine months ended December 31, 2019. Profit before income tax was ₹ 7,998.00 lakh in the nine months ended December 31, 2019. Adjustments to reconcile profit before tax to net cash flows primarily consisted of (i) depreciation and amortization expense of ₹ 6,871.10 lakh; (ii) loss on sale / write-off of fixed assets of ₹ 80.31 lakh; (iii) employee stock option expense of ₹ 221.87 lakh; (iv) provision against doubtful advances of ₹ 62.46 lakh; (v) balances written off of ₹ 3.88 lakh; (vi) finance costs of ₹ 4,091.72 lakh; (vii) expense on fair valuation of security deposits of ₹ 72.51 lakh; (viii) interest income of ₹ (76.64) lakh; (ix) profit on sale of investments (net) of ₹ (181.49) lakh, (x) income on investment designated at FVTPL of ₹ (24.31) lakh; and (xi) liabilities written back of ₹ (66.81) lakh. Operating profit before working capital changes was ₹ 19,052.60 lakh in the nine months ended December 31, 2019. The changes in working capital in the nine months ended December 31, 2019, included increase in financial assets of ₹ 192.23 lakh, increase in other assets of ₹ 755.07 lakh, increase in inventories of ₹ 11,248.84 lakh, decrease in trade payables of ₹ 2,115.32 lakh and decrease in other liabilities of ₹ 498.68 lakh. This was partially offset by an increase in other financial liabilities of ₹ 1,972.21 lakh, and an increase in provisions of ₹ 73.08 lakh. Accordingly, the cash flow from operations in the nine months ended December 31, 2019 amounted to ₹ 6,287.75 lakh. Taxes paid (net of refunds) amounted to ₹ (1,903.00) lakh.

Fiscal 2020

Net cash flow from operating activities was ₹ 8,629.84 lakh in Fiscal 2020. Profit before income tax was ₹ 6,953.02 lakh in Fiscal 2020. Adjustments to reconcile profit before tax to net cash flows primarily consisted of (i) depreciation and amortization expense of ₹ 9,392.28 lakh; (ii) loss on sale / write-off of fixed assets of ₹ 118.08 lakh; (iii) employee stock option expense of ₹ 271.26 lakh; (iv) provision against doubtful advances of ₹ 142.50 lakh; (v) balances written off of ₹ 18.15 lakh; (vi) finance costs of ₹ 5,478.39 lakh; (vii) interest income of ₹ (100.74) lakh; (viii) profit on sale of investments (net) of ₹ (184.86) lakh, (ix) income on investment designated at FVTPL of ₹ (32.51) lakh; and (x) liabilities written back of ₹ (98.06) lakh. Operating profit before working capital changes was ₹ 21,957.51 lakh in Fiscal 2020. The changes in working capital in Fiscal 2020, included increase in other assets of ₹ 850.16 lakh, increase in inventories of ₹ 14,893.83 lakh and decrease in other financial liabilities of ₹ 1,072.10 lakh. This was partially offset by a decrease in financial assets of ₹ 627.40 lakh, increase in trade payables of ₹ 4,951.03 lakh, increase in other liabilities of ₹ 180.46 lakh, and increase in provisions of ₹ 143.25 lakh. Accordingly, the cash flow from operations in Fiscal 2020 amounted to ₹ 11,043.56 lakh. Taxes paid (net of refunds) amounted to ₹ 2,413.72 lakh.

Fiscal 2019

Net cash flow from operating activities was ₹ 7,634.30 lakh in Fiscal 2019. Profit before income tax and other comprehensive income was ₹ 9,926.27 lakh in Fiscal 2019. Adjustments to reconcile profit before tax to net cash flows primarily consisted of (i) depreciation and amortization expense of ₹ 2,675.76 lakh; (ii) loss on sale / write-off of fixed assets of ₹ 69.74 lakh; (iii) employee stock option expense of ₹ 306.53 lakh; (iv) provision against doubtful advances of ₹ 19.87 lakh; (v) balances written off of ₹ 17.25 lakh; (vi) impairment in value of investments of ₹ 979.94 lakh; (vii) finance costs of ₹ 161.27 lakh; (viii) expense on fair valuation of security deposits of ₹ 76.63 lakh; (ix) interest income of ₹ (180.51) lakh; (x) profit on sale of investments (net) of ₹ (184.12) lakh; (xi) income on investment designated at FVTPL of ₹ (66.97) lakh; and (xii) liabilities written back of ₹ (148.48) lakh. Operating profit before working capital changes was ₹ 13,653.18 lakh in Fiscal 2019. The changes in working capital in Fiscal 2019, included increase in financial assets of ₹ 315.52 lakh, increase in other assets of ₹ 883.14 lakh, increase in inventories of ₹ 2,187.21 lakh and decrease in trade payables of ₹ 1,852.20 lakh. This was partially offset by an increase in other financial liabilities of ₹ 2,233.82 lakh, increase in other liabilities of ₹ 4.58

lakh, and increase in provisions of ₹ 302.26 lakh. Accordingly, the cash flow from operations in Fiscal 2019 amounted to ₹ 10,955.77 lakh. Taxes paid (net of refunds) amounted to ₹ 3,321.47 lakh.

Fiscal 2018

Net cash flow from operating activities was ₹ 6,433.76 lakh in Fiscal 2018. Profit before tax and other comprehensive income was ₹ 11,246.67 lakh in Fiscal 2018. Adjustments to reconcile profit before tax to net cash flows primarily consisted of (i) depreciation and amortization expense of ₹ 2,217.98 lakh; (ii) loss on sale / write-off of fixed assets of ₹ 4.19 lakh; (iii) employee stock option scheme of ₹ 118.67 lakh; (iv) balances written off of ₹ 54.95 lakh; (v) dividend income of ₹ (47.14) lakh; (vi) interest income of ₹ (99.48) lakh; (vii) profit on sale of investments (net) of ₹ (110.39) lakh; (viii) income on investment designated at FVTPL of ₹ (50.69) lakh; and (ix) liabilities written back of ₹ (26.35) lakh. Operating profit before working capital changes was ₹ 13,701.63 lakh in Fiscal 2018. The changes in working capital in Fiscal 2018, included increase in other financial assets of ₹ 131.32 lakh, increase in other current assets of ₹ 945.84 lakh and increase in inventories of ₹ 3,793.65 lakh. This was partially offset by increase in trade payables of ₹ 687.88 lakh, increase in other financial liabilities of ₹ 182.46 lakh, increase in provisions of ₹ 111.47 lakh and increase in other liabilities of ₹ 432.09 lakh. Accordingly, the cash generated from operations in Fiscal 2018 amounted to ₹ 10,244.72 lakh. Taxes paid (net of refunds) amounted to ₹ 3,810.96 lakh.

Investing activities

Nine months ended December 31, 2020

Net cash used in investing activities was ₹ 6,500.89 lakh in the nine months ended December 31, 2020. This primarily reflected (i) purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances of ₹ 2,032.65 lakh, (ii) purchase of investments of ₹ 8,399.67 lakh, and (iii) movement in pledged fixed deposits (including earmarked balances with bank net of liabilities) of ₹ 8.04 lakh. This was partially offset by (i) proceeds from sale of investments of ₹ 3,895.05 lakh, (ii) interest received of ₹ 9.66 lakh, and (iii) proceeds from sale of fixed assets of ₹ 34.76 lakh.

Nine months ended December 31, 2019

Net cash from investing activities was ₹ 2,008.39 lakh in the nine months ended December 31, 2019. This primarily reflected (i) proceeds from sale of investments of ₹ 24,241.67 lakh, (ii) proceeds from sale of fixed assets of ₹ 3.57 lakh, (iii) interest received of ₹ 6.65 lakh, and (iv) movement in pledged fixed deposits (including earmarked balances with bank) of ₹ 380.85 lakh. This was partially offset by (i) purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances of ₹ 4,290.37 lakh, and (ii) purchase of investments of ₹ 18,333.98 lakh.

Fiscal 2020

Net cash from investing activities was ₹ 51.28 lakh in Fiscal 2020. This primarily reflected (i) proceeds from sale of investments of ₹ 29,290.04 lakh, (ii) proceeds from sale of fixed assets of ₹ 679.08 lakh, (iii) interest received of ₹ 6.68 lakh, and (iv) movement in pledged fixed deposits (including earmarked balances with bank net of liabilities) of ₹ 10.98 lakh. This was partially offset by (i) purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances of ₹ 6,141.59 lakh and (ii) purchase of investments of ₹ 23,793.91 lakh.

Fiscal 2019

Net cash used in investing activities was ₹ 7,337.18 lakh in Fiscal 2019. This primarily reflected (i) purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances of ₹ 4,069.00 lakh and (ii) purchase of investments of ₹ 47,027.65 lakh. This was partially offset by (i) proceeds from sale of investments of ₹ 43,634.34 lakh, (ii) proceeds from sale of fixed assets of ₹ 3.83 lakh, (iii) interest received of ₹ 107.93 lakh, and (iv) movement in margin money deposits of ₹ 13.37 lakh.

Fiscal 2018

Net cash used in investing activities was ₹ 1,505.99 lakh in Fiscal 2018. This primarily reflected (i) purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances of ₹ 4,791.06 lakh, (ii) purchase of investments of ₹ 3,403.31 lakh, (iii) earmarked bank deposit of ₹ 463.35 lakh, (iv) movement in pledged fixed deposit of ₹ 117.84 lakh, and (v) interest of ₹ 99.71 lakh. This was partially offset by (i) proceeds from sale of investments of ₹ 7,355.74 lakh, and (ii) proceeds from sale of fixed assets of ₹ 13.54 lakh.

Financing Activities

Nine months ended December 31, 2020

Net cash used in financing activities was ₹ 5,389.44 lakh in the nine months ended December 31, 2020. This primarily reflected (i) repayment of long term borrowings of ₹ 2.60 lakh, (ii) proceeds from short term borrowings (net) of ₹ 90.12 lakh, (iii) lease payments (net of sub-lease income) of ₹ 959.85 lakh; and (iv) finance charges paid of ₹ 4431.09 lakh. This was partially offset by (i) proceeds from issue of equity shares including securities premium of ₹ 94.22 lakh.

Nine months ended December 31, 2019

Net cash used in financing activities was ₹ 6,524.14 lakh in the nine months ended December 31, 2019. This primarily reflected (i) repayment of long term borrowings of ₹ 22.01 lakh, (ii) equity dividend paid of ₹ 308.61 lakh, (iii) corporate dividend tax paid of ₹ 63.44 lakh, (iv) finance charges paid of ₹ 4,091.94 lakh, and (v) lease payments (net of sub-lease income) of ₹ 2,171.70 lakh. This was partially offset by proceeds from issue of equity shares including securities premium of ₹ 133.55 lakh.

Fiscal 2020

Net cash used in financing activities was ₹ 9,432.00 lakh in Fiscal 2020. This primarily reflected (i) repayment of long term borrowings of ₹ 29.65 lakh, (ii) equity dividend paid of ₹ 308.61 lakh, (iii) corporate dividend tax paid of ₹ 63.44 lakh; (iv) lease payment made (net of sublease income) of ₹ 3,789.89 lakh; and (v) finance charges paid of ₹ 5,478.61 lakh. This was partially offset by (i) proceeds from issue of equity shares including securities premium of ₹ 133.55 lakh and (ii) proceeds from short term borrowings (net) of ₹ 104.65 lakh.

Fiscal 2019

Net cash used in financing activities was ₹ 439.13 lakh in Fiscal 2019. This primarily reflected (i) repayment of long term borrowings of ₹ 27.28 lakh, (ii) equity dividend paid of ₹ 362.47 lakh, (iii) corporate dividend tax paid of ₹ 74.51 lakh; and (iv) finance charges paid of ₹ 161.27 lakh. This was partially offset by (i) proceeds from issue of equity shares including securities premium of ₹ 186.40 lakh.

Fiscal 2018

Net cash used in financing activities was ₹ 3,840.36 lakh in Fiscal 2018. This primarily reflected (i) repayment of long term borrowings of ₹ 23.29 lakh, (ii) repayments of short term borrowings (net) of ₹ 3,487.04 lakh, (iii) equity dividend paid of ₹ 226.22 lakh, (iv) corporate dividend tax paid of ₹ 46.05 lakh; and (v) finance charges paid of ₹ 152.53 lakh. This was partially offset by proceeds from issue of equity shares including securities premium of ₹ 94.77 lakh.

INDEBTEDNESS

As on December 31, 2020, we had total borrowings, consisting only of current borrowings, of ₹ 14.53 lakh. Also, see "*Risk Factors – We have incurred indebtedness and are required to comply with certain covenants based on documentation entered into with the lenders. Our inability to meet our obligations, including financial and other covenants, under our financing arrangements could adversely affect our business, results of operations, financial condition and cash flows. Further, the terms of our financing arrangements contain various covenants that may limit our business activities.*" on page 59.

The following table sets forth certain information relating to our outstanding indebtedness as on December 31, 2020, and our repayment obligations in the periods indicated:

Particulars	As on December 31, 2020				
	Payment due by period				
	(₹ lakh)				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
Non-current borrowings (including current maturities)	-	-	-	-	-
Current borrowings	14.53	14.53	-	-	-
Total borrowings	**14.53**	**14.53**	**-**	**-**	**-**

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

Our contingent liabilities, as disclosed under Ind AS 37, were ₹ 742.92 lakh as on December 31, 2020. These comprised the following:

Particulars	As of December 31, 2020
	(₹ lakhs)
Income tax	74.97
Value added tax	435.56
Service tax	30.33
Payment of Bonus (Amendment) Act, 2015	107.61
Minimum Wages Act, 1948	94.45
Total Contingent Liabilities	**742.92**

For information in relation to past contingent liabilities as disclosed under Ind AS 37 in our Audited Financial Statements, see "*Financial Information*" on page 254.

There are no off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates, other unconsolidated entities or financial partnerships that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

AUDITOR QUALIFICATIONS

There are no auditor qualifications, reservations or adverse remarks highlighted by our Previous Statutory Auditors or Statutory Auditors in their respective reports to our financial statements in the last five Fiscals.

Further, the Statutory Auditors have included an emphasis of matter in their report dated May 29, 2020, on the Audited Financial Statement as at and for the Fiscal ended March 31, 2020. Such emphasis of matter as included by the Statutory Auditors, has been reproduced below:

Emphasis of Matter

We draw attention to note no. 49 to the Ind AS financial statement, which describes the uncertainties and impact of COVID-19 pandemic on the Company's operations and results as assessed by the management.

In addition, the Statutory Auditors have included an emphasis of matter in their review report dated January 28, 2021, in relation to the Unaudited Condensed Interim Financial Statements. Such emphasis of matter as included by the Statutory Auditors, has been reproduced below:

Emphasis of Matter

We draw attention to Note 9 to the Special Purpose Interim condensed Ind AS Financial Statements, which describe the uncertainties and impact of COVID-19 pandemic on the Company's operations and Special Purpose Interim condensed Ind AS Financial Statements as assessed by the management.

For further information, see "*Financial Information*" on page 254.

Further, the Statutory Auditors, in their report dated May 29, 2020, on the Audited Financial Statements as at and for the Fiscal ended March 31, 2020, included, as an annexure, a statement on certain matters specified in the Companies (Auditors Report) Order, 2016, which was modified to indicate that:

a) There have been slight delays in deposit of statutory due with the appropriate authorities.
b) Certain outstanding dues related to the Income Tax, Value Added Tax and service tax which were not deposited on account of disputes.

In addition, the Statutory Auditors, in their report dated May 10, 2019, on the Audited Financial Statements as at and for the Fiscal ended March 31, 2019, included, as an annexure, a statement on certain matters specified in the Companies (Auditors Report) Order, 2016, which was modified to indicate that:

a) There have been slight delays in deposit of statutory due with the appropriate authorities.
b) Certain outstanding dues related to the Income Tax, Value Added Tax and service tax which were not deposited on account of disputes.

For further information, see "*Financial Information*" on page 254.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Our estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for, amounted to ₹ 33.86 lakh as of March 31, 2020.

CAPITAL EXPENDITURES

In Fiscal 2018, Fiscal 2019, Fiscal 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, our capital expenditure towards additions to property, plant and equipment (plant and machinery, office equipment, leasehold improvement, computer, furniture and fixtures, and vehicles) and intangible assets (computer software) were ₹ 5,095.37 lakh, ₹ 4,913.35 lakh, ₹ 4,987.72 lakh, ₹ 4,126.92 lakh and ₹ 1,769.48 lakh, respectively. The following table sets forth our capital expenditure for the periods indicated:

Particulars	**Fiscal 2018**	**Fiscal 2019**	**Fiscal 2020**	**Nine months ended December 31, 2019**	**Nine months ended December 31, 2020**
	(₹ lakh)				
Plant and machinery	1,944.01	1,787.73	2,105.09	1,771.02	661.99
Office Equipment	146.77	136.93	126.67	112.12	33.90
Leasehold Improvement	135.13	418.73	167.55	73.64	4.29
Computers	263.14	328.17	340.57	304.24	44.36
Furniture and fixtures	2,426.47	2,143.84	2,034.49	1,723.18	969.69
Vehicles	32.57	20.64	65.38	65.38	18.50
Computer software	147.29	77.31	147.97	77.35	36.76
Total	**5,095.37**	**4,913.35**	**4,987.72**	**4,126.92**	**1,769.48**

For further information with respect to the disclosure in the table above. as required by Schedule III of the Companies Act, for Fiscal 2018, 2019 and 2020, see "*Financial Information*" on page 254.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, see "*Related Party Transactions*" on page 44.

CHANGES IN ACCOUNTING POLICIES

Except as disclosed in this Placement Document, there have been no changes in our accounting policies during Fiscals 2018, 2019 and 2020, except for the changes as necessitated by applicable laws.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various types of market risks during the normal course of business. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate on account of changes in market prices. Market risk comprises of currency rate risk, interest rate risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments and other market changes that affect market risk sensitive instruments. We manage market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit and Risk Management Committees. The activities of the treasury department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate on account of changes in market interest rates. Interest rates for borrowings have been volatile in India in recent periods. Our exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations and buyer's credit obligations with floating interest rates. We did not have any buyer's credit outstanding and foreign currency loans and borrowings, as of December 31, 2020.

Foreign Exchange Risk

Changes in currency exchange rates do not influence our results of operations.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are subject to the risk that our counterparties under various financial or supplier agreements will not meet their obligations. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our investing activities including deposits with banks and other financial instruments.

Liquidity Risk

Liquidity risk is the risk that we may not be able to meet our present and future cash and collateral obligations without incurring unacceptable losses. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. We have investments in SEBI registered liquid mutual funds of ₹ 5.348.00 lakh and fixed deposits with scheduled commercial banks of ₹ 5,490.00 lakh, as on December 31, 2020. We monitor our risk to a shortage of funds using a recurring liquidity-planning tool, which considers the maturity of both our financial investments and financial assets (*i.e.* trade receivables and other financial assets) and projected cash flows from operations. We aim to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

TOTAL TURNOVER OF OUR BUSINESS VERTICALS

We have three primary business verticals, namely apparels, non-apparel and kirana verticals. For further information, see "*Our Business*" and "*Industry Overview*" on pages 167 and 135, respectively.

For any other information in relation to our Company, see "*Financial Information*" on page 254.

NEW PRODUCTS OR BUSINESS SEGMENTS

We have not publicly announced any new business segments nor have there been any material increases in our revenues due to increased disbursements and introduction of new segments.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

KNOWN TRENDS OR UNCERTAINTIES

Other than as described in this Placement Document, particularly in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 45 and 83, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described elsewhere in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 45, 167 and 83, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS

Given that we are in the retail business, we are not dependent on single or a few customers.

SEASONALITY OF BUSINESS

Our business is not seasonal in nature.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See sections, "*Our Business*", "*Industry Overview*", "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Competition*" on pages 167, 135, 45 and 87, respectively.

SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2020 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed in this Placement Document, to our knowledge, no circumstances have arisen since December 31, 2020, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is obtained or extracted from "Report on Indian Apparel Industry" dated January 28, 2021 (the "**Technopak Report**") prepared and released by Technopak Advisors Private Limited, on our request. None of our Company, the Book Running Lead Manager, or any other person connected with the Issue has independently verified such information.*

The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

MACROECONOMIC OVERVIEW OF INDIA

India GDP and GDP Growth

India is the world's 6th largest economy and expected to be in top 3 global economies by Fiscal 2050

India currently ranks sixth in the world in terms of nominal gross domestic product ("**GDP**") and is the third largest economy in the world in terms of purchasing power parity ("**PPP**"). India is estimated to be among the top three global economies by Fiscal 2050.

Exhibit 1: GDP Ranking of Key Global Economies (Calendar Year 2019)

Country	Rank	% Share (World GDP, at current prices)	Rank PPP	% Share (World GDP, PPP)
United States	1	25.6%	2	15.9%
China	2	17.2%	1	17.4%
Japan	3	6.1%	4	4.1%
Germany	4	4.6%	5	3.5%
United Kingdom	5	3.4%	9	2.4%
India	6	**3.4%**	**3**	**7.1%**
France	7	3.2%	10	2.4%
Italy	8	2.4%	11	2.0%
Brazil	9	2.2%	8	2.4%
Canada	10	2.1%	17	1.4%

Source: World Bank Data, RBI, Technopak Analysis

India expected to fare better than developed economies and recover to a high growth path in the coming years

India's real GDP has sustained an average growth between 6% and 7% since Fiscal 1991. Among the G20 economies, India has been growing the fastest since Fiscal 2015, with annual growth rate hovering around 7%. India's economy grew at approximately 7% in Fiscal 2019. The real growth rate declined to 4% in Fiscal 2020 and is estimated to decline to -10.3% in Fiscal 2021 due to the outbreak of COVID-19 pandemic which led to the imposition of lockdowns the towards the last quarter of Fiscal 2020 and a major part of the first quarter of Fiscal 2021 causing a contraction in the economy.

The impact of COVID-19 has caused several large economies to shrink. It is being estimated that India's GDP is expected to resume its pre-COVID growth momentum by Fiscal 2022.

Exhibit 2: Real GDP growth rate of Key Global Economies (Calendar year 2018 - Calendar year 2020)

Country	GDP Growth Rate - 2018 (in %)	GDP Growth Rate - 2019 (in %)	GDP Growth Rate - 2020 (in %)
United States	3.0%	2.2%	-4.3%
China	6.8%	6.1%	1.8%
Japan	0.3%	0.7%	-5.3%
Germany	1.3%	0.6%	-6.0%
United Kingdom	1.3%	1.5%	-9.8%
India*	6.1%	4.2%	-10.3%
France	1.8%	1.5%	-7.2%
Italy	0.8%	0.3%	-10.7%
Brazil	1.3%	1.1%	-5.8%
Canada	2.0%	1.7%	-7.1%

Source: World Bank data, WE0 2020 by IMF; Data of India is based on Financial Year (April-March) basis.
** Secondary sources and Technopak Analysis*

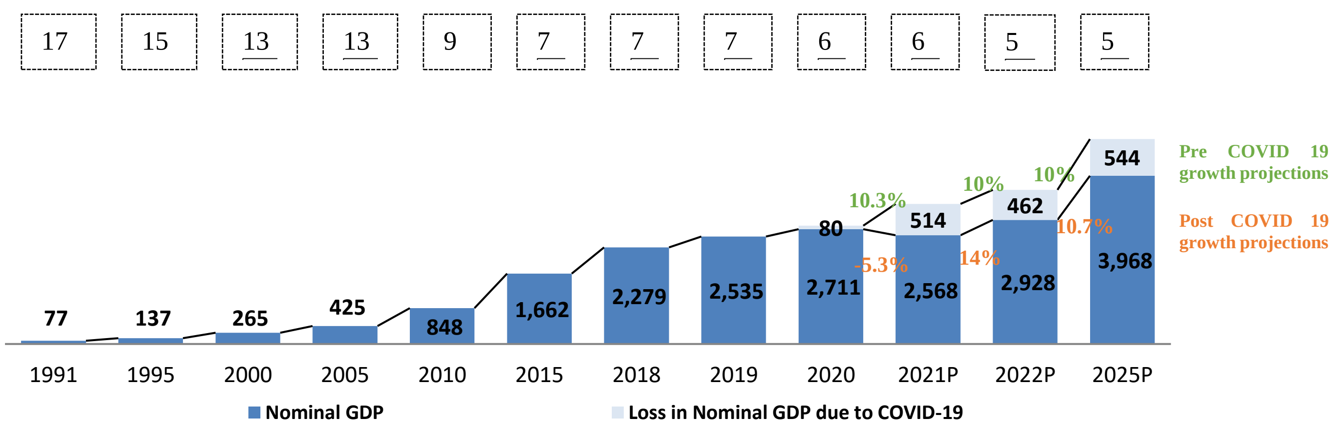
GDP Growth

Since Fiscal 2005, Indian economy's growth rate has been twice as that of the world economy and it is expected to sustain this growth momentum in the long term. In the wake of COVID-19, India's nominal GDP is expected to contract by approximately 5.3% in Fiscal 2021 but expected to bounce back and reach US$ 3.9 Tn by Fiscal 2025. It is also expected that the growth trajectory of Indian economy will enable India to be among the top 3 global economies by Fiscal 2050.

Several structural factors are likely to contribute to economic growth in the long run. These include favorable demographics, reducing dependency ratio, rapidly rising education levels, steady urbanization, growing young and working population, IT revolution, increasing penetration of mobile and internet infrastructure, increasing aspirations and affordability etc.

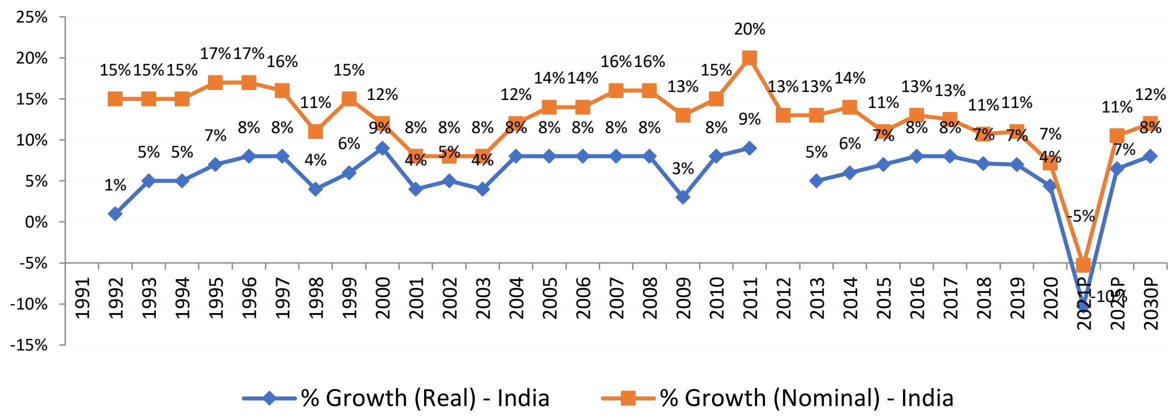
COVID-19 had a massive impact on Indian economy in Fiscal 2021, with GDP in Q1 Fiscal 2021 contracting 24% as compared to same period last year. The contraction in Q1 Fiscal 2021 was not uniform; it varied from state to state and sector to sector. Aviation sector was worst hit followed by tourism, realty etc. But as government eased lockdown restrictions and economy started opening up, things started getting better by end of Q1 2021. Road ahead, for the above mentioned sectors and Indian economy still stands promising and India is expected to regain its pre-COVID growth momentum by Fiscal 2022.

Exhibit 3: India's Nominal GDP in Fiscal (US$ Bn)



Source: RBI Data, Economic Survey, World Bank, EIU, IMF
1 US$=INR 75
White boxes at the top refer to India's GDP rank on a global basis

Exhibit 4: Historical GDP Growth (%)



Source: RBI Data, World Bank, IMF
**2012- GDP Spike in Real growth rate due to change of base from 2004-05 to 2011-12. Hence excluded from decadal growth rate as well*

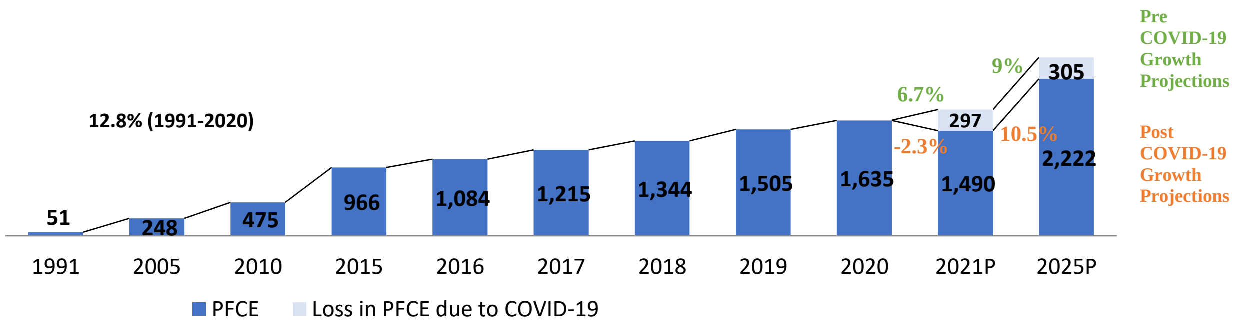
During the first week of October 2020, India started seeing decrease in number of daily cases and deaths, and Union ministry estimates that India might have reached its peak. But as government eased lockdown restrictions in October, movement of goods and people started flowing freely.

Domestic Consumption

India is advantaged in that its domestic consumption share (measured as Private Final Consumption Expenditure – PFCE) in its GDP was approximately 59% in Fiscal 2019. In comparison China's domestic consumption share to its GDP was approximately 39% in the same year. High share of private consumption in the GDP insulates India from the economic shocks in other countries. In absolute terms it increased from US$ 51 Bn to US$ 1,635 Bn (Fiscal 1991 to Fiscal 2020).

However, with the outbreak of COVID-19, there has been a depression in demand with an estimated loss of revenue worth US$ 144 Bn in merchandise retail in Fiscal 2021. With the economic environment becoming uncertain, not only are consumers more thoughtful about their consumption but also more conscious of their savings and investments. The consumption priorities are also driven by the health and safety concerns and the other behavioral changes adopted because of the pandemic.

Exhibit 5: India's Household Final Consumption Expenditure



Source: Technopak Analysis, RBI Data; Year indicates Fiscal

The annual growth rate for Fiscal 1991-2005 was approximately 13% and this increased to approximately 14% for Fiscal 2005-2019. While in the short term, consumption will suffer a setback, it is expected to reach to approximately US$ 2.22 Tn by Fiscal 2025.

The drop in consumption is mainly because of consumer sentiment being weak both due to health and economic reasons. Structurally, all the other variables remain the same, the quantum of consumption will not take long to revive. However, the loss suffered during COVID-19 manifest itself as loss of momentum of growth. The loss in momentum and current fall will recover bringing the economy back to F Fiscal Y2019 levels in Fiscal 2022.

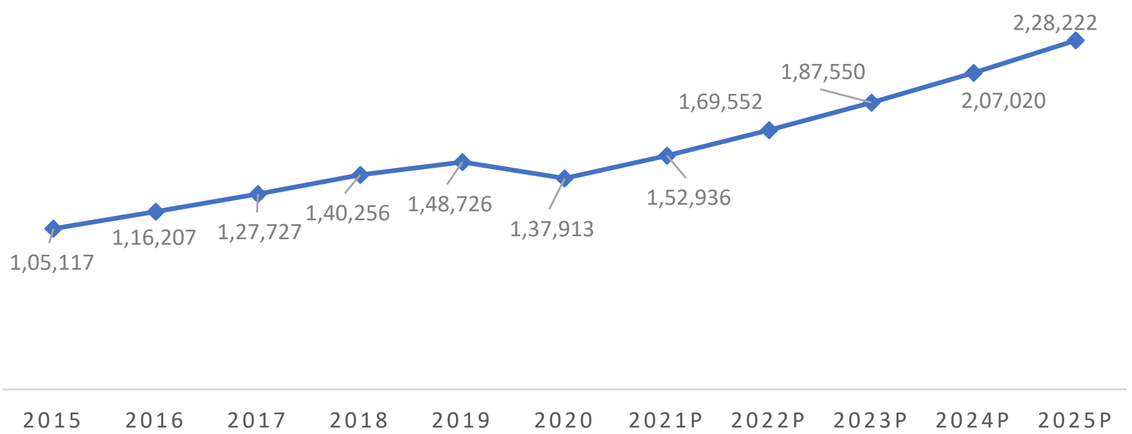
In Fiscal 2019, PFCE accounted for approximately 59% of GDP. This is much higher than that in China (approximately 39%) and comparable to that of the US (approximately 68%).

Exhibit 6: Total Private Final Consumption Expenditure (current prices, US$ Bn)

Country	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020P	CY 2021P	Contribution to GDP (2019)	CAGR 2014-2019
U.S.	10,641	11,007	11,318	11,824	12,295	12,767	13,321	13,999	13,036	13,809	65.5%	4.3%
Brazil	1,577	1,514	1,526	1,546	1,153	1,154	1,314	1,202	1,135	1,238	66.8%	4.7%
Italy	1,400	1,277	1,302	1,308	1,116	1,130	1,182	1,257	1,087	1,156	62.9%	0.7%
India*	749	863	966	1,084	1,215	1,344	1,505	1,635	1,490	1,683	59%	11.1%
Indonesia	495	518	519	509	495	539	582	594	577	662	54.0%	2.7%
Malaysia	143	156	167	177	160	163	174	206	189	213	51.4%	4.2%
France	1,573	1,469	1,536	1,549	1,318	1,340	1,396	1,497	1,303	1,430	55.4%	0.5%
Germany	2,079	1,976	2,076	2,115	1,809	1,853	1,952	2,058	1,917	1,958	54.1%	0.2%
Thailand	196	211	220	213	205	206	222	246	227	234	49.3%	2.3%
China	2,732	3,145	3,548	3,948	4,271	4,416	4,698	5,263	5,152	5,980	36.8%	8.2%

Source: World Bank, RBI, Technopak Research and Analysis
2021P: The projections have been arrived at by considering impact of COVID-19
**For India, CY 2020P means Fiscal 2021P*
1US$ = INR 75

Exhibit 7: India's GDP Per Capita (INR) (Current Prices)



Year indicates CY
Source: IMF projections

The per capita income of India has been showing an increasing trend from 2012 onwards; growing at a healthy CAGR of approximately 10%, the per capita income reached INR 1,48,726 in Fiscal 2019. Given the impact of COVID-19, it is projected to decrease to INR 1,37,913 in Fiscal 2020. However, it is expected bounce back to INR 1,52,936 in the subsequent year and continue its growth journey.

Growth Drivers

India's medium to long term growth and its positive impact on private consumption will be determined by inter-play of demographics, urbanization and policy reforms.

Demographic Profile of India

Young population

India has the youngest population in comparison to other leading economies. The median age in India is estimated to be 28.7 years in 2020 as compared to 38.5 and 38.4 in the United States and China, respectively, and is expected to remain under 30 years until 2030.

Exhibit 8: Median Age: Key Emerging and Developed Economies (2020 estimated)

Country	India	China	USA	Singapore	Russia	Korea, South	Canada	UK
Median Age (Yrs)	28.7	38.4	38.5	35.6	40.3	43.2	41.8	40.6

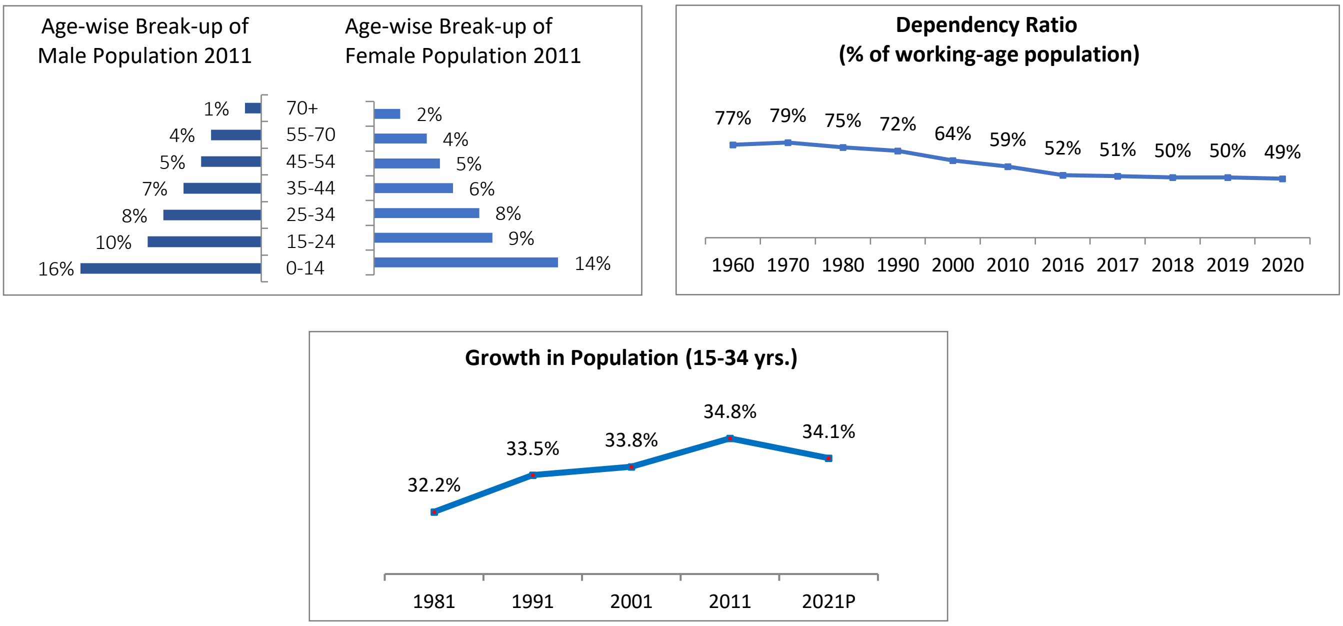
Source: Secondary Research

The size of India's young population is contributing to a decline in dependence ratio (the ratio of dependent population size compared to the working-age population size (15 to 64 years of age), which has decreased from 64% in Fiscal 2000 to 50% in Fiscal 2019. This trend is expected to lead to rising income levels per household as well as higher levels of discretionary expenditure.

A substantial rise in the working age population of India from 36% in Fiscal 2000 to 50% in Fiscal 2019 is expected to continue sustaining the growth momentum of the Indian economy and lead to rising income levels in the long term.

Younger population is naturally pre-disposed to adopting new trends and exploration given their educational profile and their exposure to media and technology, which presents an opportunity for domestic consumption in the form of branded products and organized retail.

Exhibit 9: Age Dependency Ratio



Source: Census of India 2011, World Bank, MOSPI
Years mentioned are Fiscal
Age wise break up of population not adding up to 100% due to rounding off

Women Workforce

A number of factors, including better health care and greater media focus are allowing women in India, in both urban and rural areas, to exercise greater influence on their families and society as a whole. The most important factor, however, is educational opportunity. Between 2005 and 2015, enrolment of girls in secondary education increased from 45.3% to 81% and in Fiscal 2019 was higher than enrolment of boys. Higher education has also seen an increase in women enrolment, with almost 20% of women pursuing higher education studies compared to 22% of men.

These changes are expected to have a broad impact on societal factors, including workforce demographics and economic independence for women. The share of women workforce in the services sector has increased from 16.8% in 2010 to 24.2% in 2018.

Exhibit 10: Sector wise Split of Female Employment

Sector	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
Agriculture	65.6%	62.8%	60.0%	59.6%	59.1%	58.6%	58.2%	57.6%	57.1%
Industry	17.6%	18.3%	18.8%	18.7%	18.7%	18.7%	18.6%	18.7%	18.7%
Services	16.8%	18.9%	21.3%	21.7%	22.2%	22.7%	23.2%	23.7%	24.2%
Total Female Employment (in Mn.)	106	102	98	101	103	106	109	111	112

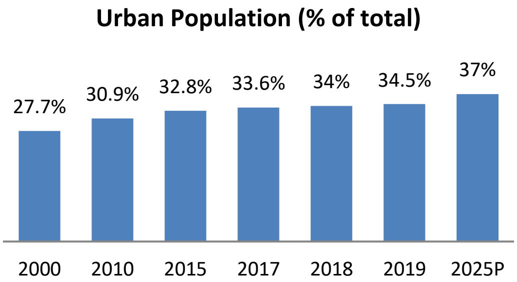
Source: World Bank Data

Urbanization

India has the second largest urban population in the world in absolute terms at 472 million in Fiscal 2019, second only to China. However, only 34.47% of India's population is classified as urban compared to a global average of 54%. It is the pace of India’s urbanization that is a key trend to note for implication on India’s economic growth.

While in the short-term, imposition of lockdowns and loss of work as a result of the COVID-19 crisis has caused reverse migration of daily wage workers towards villages, in the long term, the trend of urbanization is expected to continue with approximately 50% of India's population expected to be living in urban centers by 2050, and contributing approximately 80% of India's GDP.

Exhibit 11: Increasing Urbanization



Source: World Bank, Technopak Analysis

Urbanization is also creating two trends that are impacting India's domestic consumption habits:

Growing Middle Class

The households with annual earnings between US$ 5,000-10,000 have grown at a CAGR of 12% from Fiscal 2012-2018 and their number is projected to double by 2025. The households with annual earnings between US$ 10,000-50,000 have grown at a CAGR of 25% between Fiscal 2012-2018.

Increase in number of households with annual earnings of US$ 10,000 to US$ 50,000 has been leading to an increase in discretionary spending on food and beverages, apparel and accessories, luxury products, consumer durables and across other discretionary categories.

Exhibit 12: Household Annual Earning Details

Year	Total House Holds (in Mn.)	HHs with Annual earning US$ 5000 - 10,000 (Mn.)	*% of total HHs*	HHs with Annual earning US$ 10,000 –50,000 (Mn.)	*% share of total HHs*
2009	236	36	*15.2%*	11	*4.7%*
2012	254	60	*23.8%*	22	*8.7%*
2014	267	71	*26.5%*	27	*10.2%*
2015	274	85	*30.9%*	36	*13.2%*
2018	295	121	*41.2%*	86	*29.3%*

Source: EIU
Note: Year indicates Fiscal

Nuclearization

The growth in the number of households exceeds population growth, which indicates an increase in nuclearization in India. According to the 2011 census, 74% of urban households have five or less members, compared to 65% in 2001. It is expected that that smaller households with higher disposable income will lead to a greater expenditure in, among others, jewellery, fashion, home and living, packaged food and food services.

Exhibit 13: Indian Household Size and Growth Trend

Year	Total No. of HHs (Mn.)	Avg. HH Size	Avg. Urban HH size	Decadal growth rate of HHs	Decadal growth rate population
1981	119	5.5	5.4	19.2%	24.7%
1991	148	5.5	5.3	24.4%	24.4%
2001	193	5.3	5.1	30.4%	25.7%
2011	248	4.8	4.6	28.5%	16.4%

Source: Census

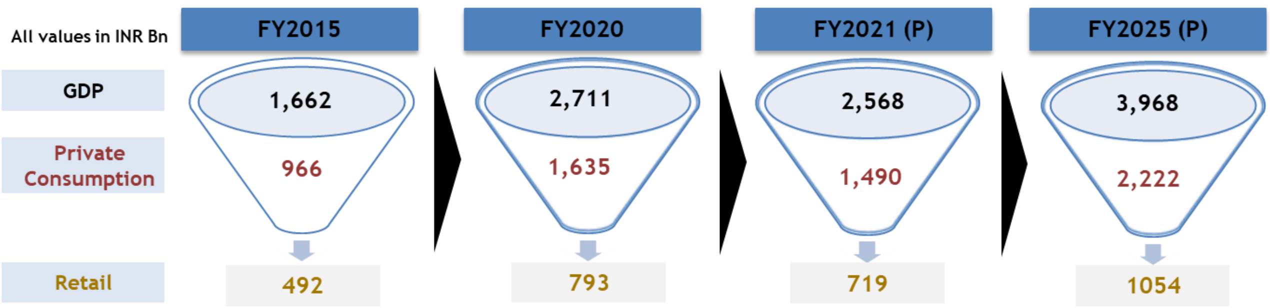
Exhibit 14: Distribution of Households by number of persons (No. of Household in millions)

No. of person	Fiscal 2001			Fiscal 2011		
	Total HH (Mn.)	Rural HH (Mn.)	Urban HH (Mn.)	Total HH (Mn.)	Rural HH (Mn.)	Urban HH (Mn.)
1 Person	8	6	2	10	7	3
2 Persons	16	12	5	25	17	8
3-5 Persons	95	65	29	137	88	49
6-10 Persons	67	50	17	70	51	19
11 Persons and above	7	5	2	6	5	1

INDIAN RETAIL MARKET OVERVIEW

India's Consumption Funnel

Exhibit 15: India's consumption funnel



Retail Size across Key Categories

In Fiscal 2020, India's retail basket was approximately 48.5% of its private consumption and it is expected to maintain this share in private consumption for the next five years. The food and grocery ("**F&G**") segment forms the major share of India's merchandise retail expenditure (approximately 66%), it has jumped to approximately 77% amid the disruptions caused by COVID-19. However, share of other categories is expected to restore by Fiscal 2022. While other sectors in retail are expected to contract by 30-35% during Fiscal 2021 due to the impact of COVID-19, food and grocery is expected to grow at an accelerated growth rate of approximately 6%.

Exhibit 16: Share of various categories in overall Indian Retail Basket

Type of Categories	Categories	2020	2021 (P)

	Total Retail (US$ bn)	**793**	**719**
Need based	**Food and Grocery**	**66.3%**	**76.7%**
Primary Non-Food	Jewellery	7.8%	5.4%
	Apparel and Accessories*	7.9%	5.4%
	Consumer Durables & Information Technology (CDIT)	6.4%	4.7%
Other Non-Food	Home and Living	4.3%	2.9%
	Pharmacy and Wellness	2.9%	2.2%
	Footwear	1.2%	0.8%
	Others	3.2%	1.8%
	Total	100%	100%

**Accessories includes Bags, Belts, Watches and Wallets; Others include Books and Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages and Tobacco etc.;*

Source: Technopak analysis; Year Indicates Fiscal

Exhibit 17: Share of Merchandise and Services in Household Expenditure

	Category	Share of Wallet
Merchandise Retail	Food and Grocery	32%
	Jewellery	4%
	Apparel and Accessories	4%
	Footwear	1%
	Pharmacy and Wellness	1%
	CDIT	3%
	Home and Living	2%
	Others Retail Categories	2%
Services		52%

Source: Technopak Analysis

Retail Consumption across States – Split by Category

Exhibit 18: Share of Retail Spending in Select States (US$ Bn)

		2017		2020		2021 (P)		2025 (P)		
Zone	**States**	**Retail Spending (US$ Bn)**	**% of Total Retail**	**Retail Spending (US$ Bn)**	**% of Total Retail**	**Retail Spending (US$ Bn)**	**% of Total Retail**	**Retail Spending (US$ Bn)**	**% of Total Retail**	**CAGR 2021-25**
North	Delhi	25.0	4.2%	34.1	4.3%	30.9	4.3%	46.5	4.4%	10.7%
	Haryana	22.6	3.8%	30.9	3.9%	28.0	3.9%	42.2	4.0%	10.8%
	Punjab	14.9	2.5%	19.0	2.4%	17.3	2.4%	24.3	2.3%	8.9%
	MP	18.5	3.1%	25.4	3.2%	23.0	3.2%	34.8	3.3%	10.9%
	UP	42.9	7.2%	54.7	6.9%	48.9	6.8%	67.6	6.4%	8.4%
West	Maharashtra	90.5	15.2%	118.2	14.9%	106.4	14.8%	152.1	14.4%	9.3%
	Gujarat	37.5	6.3%	49.2	6.2%	43.9	6.1%	62.3	5.9%	9.2%
	Rajasthan	25.0	4.2%	32.5	4.1%	28.8	4.0%	40.1	3.8%	8.7%
South	AP	24.4	4.1%	30.9	3.9%	27.3	3.8%	37.0	3.5%	7.9%
	Telangana	23.2	3.9%	32.5	4.1%	30.2	4.2%	46.5	4.4%	11.4%
	Tamil Nadu	47.0	7.9%	62.6	7.9%	56.8	7.9%	82.4	7.8%	9.7%
	Karnataka	38.7	6.5%	53.9	6.8%	49.6	6.9%	77.1	7.3%	11.7%

		2017		2020		2021 (P)		2025 (P)		
Zone	**States**	**Retail Spending (US$ Bn)**	**% of Total Retail**	**Retail Spending (US$ Bn)**	**% of Total Retail**	**Retail Spending (US$ Bn)**	**% of Total Retail**	**Retail Spending (US$ Bn)**	**% of Total Retail**	**CAGR 2021-25**
	Kerala	22.6	3.8%	28.5	3.6%	25.2	3.5%	33.8	3.2%	7.7%
East	West Bengal	27.4	4.6%	35.7	4.5%	31.6	4.4%	44.4	4.2%	8.81%
	Orissa	10.7	1.8%	14.3	1.8%	12.9	1.8%	19.0	1.8%	10.1%
	Jharkhand	4.8	0.8%	9.0	1.2%	8.6	1.2%	14.0	1.3%	13.2%
	Bihar	14.9	2.5%	23.8	3.0%	23	3.2%	41.2	3.9%	15.7%
North East	Sikkim	0.6	0.1%	1.2	0.2%	1.2	0.2%	2.1	0.2%	15.1%
	Mizoram	0.3	0.1%	0.6	0.1%	0.6	0.1%	1.0	0.1%	13.5%
	AP	0.5	0.1%	0.8	0.1%	0.8	0.1%	1.1	0.1%	10.1%
	Tripura	1.1	0.2%	1.9	0.2%	1.8	0.3%	2.9	0.3%	12.3%
	Nagaland	0.5	0.1%	0.8	0.1%	0.8	0.1%	1.2	0.1%	11.2%
	Assam	5.5	0.9%	10.4	1.3%	9.8	1.4%	16.2	1.5%	13.4%
	Meghalaya	0.6	0.1%	1.0	0.1%	1.0	0.1%	1.5	0.1%	11.9%
	Manipur	0.6	0.1%	0.9	0.1%	0.9	0.1%	1.3	0.1%	10.6%
		500.5	84.0%	673.0	84.9%	609.1	84.7%	892.7	84.5%	9.9%

Source: Technopak Analysis

Exhibit 19: Retail Spending in Select States – Category Split (US$ Bn)

State Wise Category Split (2020)								
States	**Food and Grocery**	**Jewellery**	**Apparel and Accessories***	**Footwear**	**Pharmacy and Wellness**	**CDIT**	**Home and Living**	**Others**
Maharashtra	78.4	9.2	9.3	1.4	3.4	7.6	5.1	3.8
UP	36.3	4.3	4.3	0.7	1.6	3.5	2.4	1.8
AP	20.5	2.4	2.4	0.4	0.9	2.0	1.3	1.0
Telangana	21.5	2.5	2.6	0.4	0.9	2.1	1.4	1.0
Tamil Nadu	41.5	4.9	4.9	0.8	1.8	4.0	2.7	2.0
West Bengal	23.7	2.8	2.8	0.4	1.0	2.3	1.5	1.1
Gujarat	32.6	3.8	3.9	0.6	1.4	3.1	2.1	1.6
Karnataka	35.7	4.2	4.3	0.6	1.6	3.4	2.3	1.7
Rajasthan	21.5	2.5	2.6	0.4	0.9	2.1	1.4	1.0
Kerala	18.9	2.2	2.3	0.3	0.8	1.8	1.2	0.9
MP	16.8	2.0	2.0	0.3	0.7	1.6	1.1	0.8
Delhi	22.6	2.7	2.7	0.4	1.0	2.2	1.5	1.1
Haryana	20.5	2.4	2.4	0.4	0.9	2.0	1.3	1.0
Bihar	15.8	1.9	1.9	0.3	0.7	1.5	1.0	0.8
Punjab	12.6	1.5	1.5	0.2	0.6	1.2	0.8	0.6
Orissa	9.5	1.1	1.1	0.2	0.4	0.9	0.6	0.5
Jharkhand	6.0	0.7	0.7	0.1	0.3	0.6	0.4	0.3

State Wise Category Split (2020)								
States	**Food and Grocery**	**Jewellery**	**Apparel and Accessories***	**Footwear**	**Pharmacy and Wellness**	**CDIT**	**Home and Living**	**Others**
Assam	6.9	0.8	0.8	0.1	0.3	0.7	0.4	0.3
Arunachal Pradesh	0.5	0.1	0.1	0.0	0.0	0.1	0.0	0.0
Manipur	0.6	0.1	0.1	0.0	0.0	0.1	0.0	0.0
Meghalaya	0.7	0.1	0.1	0.0	0.0	0.1	0.0	0.0
Mizoram	0.4	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Nagaland	0.5	0.1	0.1	0.0	0.0	0.1	0.0	0.0
Sikkim	0.8	0.1	0.1	0.0	0.0	0.1	0.1	0.0
Tripura	1.3	0.2	0.2	0.0	0.1	0.1	0.1	0.1

State Wise Category Split (2025)								
States	**Food and Grocery**	**Jewellery**	**Apparel and Accessories***	**Footwear**	**Pharmacy and Wellness**	**CDIT**	**Home and Living**	**Others**
Maharashtra	100.8	11.9	12.0	1.8	4.4	9.7	6.5	4.9
UP	44.8	5.3	5.3	0.8	2.0	4.3	2.9	2.2
AP	24.5	2.9	2.9	0.4	1.1	2.4	1.6	1.2
Telangana	30.8	3.6	3.7	0.6	1.3	3.0	2.0	1.5
Tamil Nadu	54.6	6.4	6.5	1.0	2.4	5.3	3.5	2.6
West Bengal	29.4	3.5	3.5	0.5	1.3	2.8	1.9	1.4
Gujarat	41.3	4.9	4.9	0.7	1.8	4.0	2.7	2.0
Karnataka	51.1	6.0	6.1	0.9	2.2	4.9	3.3	2.5
Rajasthan	26.6	3.1	3.2	0.5	1.2	2.6	1.7	1.3
Kerala	22.4	2.6	2.7	0.4	1.0	2.2	1.5	1.1
MP	23.1	2.7	2.7	0.4	1.0	2.2	1.5	1.1
Delhi	30.8	3.6	3.7	0.6	1.3	3.0	2.0	1.5
Haryana	28.0	3.3	3.3	0.5	1.2	2.7	1.8	1.4
Bihar	27.3	3.2	3.3	0.5	1.2	2.6	1.8	1.3
Punjab	16.1	1.9	1.9	0.3	0.7	1.6	1.0	0.8
Orissa	12.6	1.5	1.5	0.2	0.6	1.2	0.8	0.6
Jharkhand	9.3	1.1	1.1	0.2	0.4	0.9	0.6	0.4
Assam	10.7	1.3	1.3	0.2	0.5	1.0	0.7	0.5
Arunachal Pradesh	0.8	0.1	0.1	0.0	0.0	0.1	0.0	0.0
Manipur	0.9	0.1	0.1	0.0	0.0	0.1	0.1	0.0
Meghalaya	1.0	0.1	0.1	0.0	0.0	0.1	0.1	0.0
Mizoram	0.7	0.1	0.1	0.0	0.0	0.1	0.0	0.0
Nagaland	0.8	0.1	0.1	0.0	0.0	0.1	0.1	0.0
Sikkim	1.4	0.2	0.2	0.0	0.1	0.1	0.1	0.1
Tripura	1.9	0.2	0.2	0.0	0.1	0.2	0.1	0.1

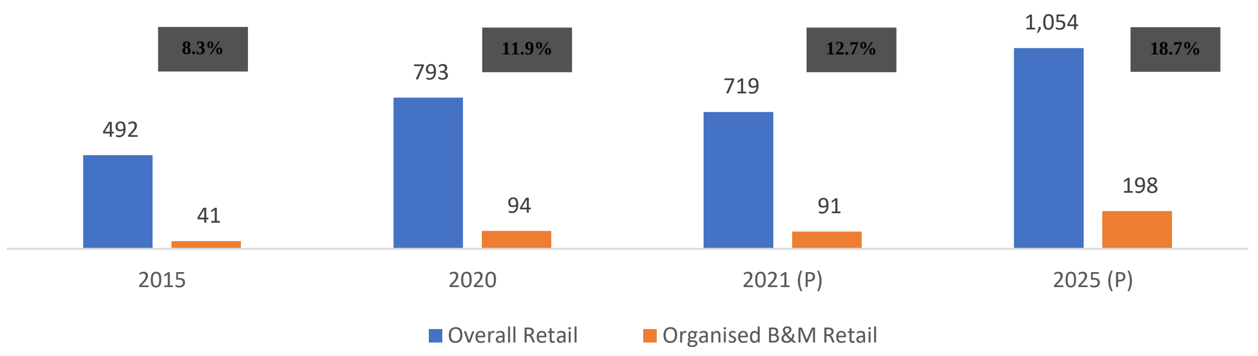
Source: Technopak Analysis

Retail market in major Indian states that contribute to more than 80% of India's retail is expected to grow at a CAGR of more than 9% in the coming four years (2021-2025). Instead of the growth being skewed to few pockets, it is expected to uniformly spread out across regions and cities. Given the high share of private consumption in India's GDP and approximately 50% of it is made up of merchandise retail, this pattern of distributive growth will positively impact discretionary categories that already have a high share of the retail expenditure.

Organized Retail and Category Consumption

While organized retail, primarily brick and mortar, has been in India for 2 decades now, its contribution to total retail is low at 11.9% (US$ 94 bn) in Fiscal 2020. The organized retail penetration was only 8.6% in 2015.

Exhibit 20: Overall Retail Market (US$ Bn)



Source: Technopak analysis

Organised Retail – Inter Category Penetration

Exhibit 21: Share of Organized Retail in various Retail Categories

	Fiscal 2020				Fiscal 2021 (P)				
	Share of Retail	**Retail Size (US$ Bn)**	**% of Organized Retail**	**Organized Market Size (US$ Bn)**	**Share of Retail**	**Retail Size (US$ Bn)**	**% of Organized Retail**	**Organized Market Size (US$ Bn)**	**Key Retailers**
Food and Grocery	66.3%	526	4.5%	23.7	76.7%	552	5.5%	30.4	Big Bazaar, DMart, Reliance Fresh
Jewellery	7.8%	62	32%	19.8	5.4%	39	35%	13.7	Tanishq, Kalyan
Apparel and Accessories*	7.9%	62	32%	19.9	5.4%	39	40%	15.5	Central, Shoppers Stop, Lifestyle, Westside, Titan
Footwear	1.2%	10	29%	2.8	0.8%	6	30%	1.7	Bata India, Metro Shoes, Khadims
Pharmacy and Wellness	2.9%	23	15%	3.4	2.2%	16	25%	4.0	Apollo, MedPlus
CDIT	6.4%	51	32%	16.2	4.7%	34	50%	16.9	Vijay Sales, Croma, Reliance Digital
Home and Living	4.3%	34	15%	5.1	2.9%	21	25%	5.3	Home Centre, Home Stop
Others	3.2%	25	12.7%	3.2	1.8%	13	30%	3.9	
Total	**100%**	**793**	**11.9%**	**94**	**100%**	**719**	**12.7%**	**91**	

**Accessories include Bags, Belts, and Wallets*
Others include Books and Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages and Tobacco etc.
Source: Technopak analysis

Exhibit 22: Organized Penetration across Key Categories

Categories	**2015**	**2020**	**2021 (P)**	**2025 (P)**
Total Organized Retail (US$ bn)	**41**	**94**	**91**	**185**

Food and Grocery	3%	4.5%	5.5%	9%
Jewellery	27%	32%	35%	40%
Apparel and Accessories*	23%	32%	40%	45%
Footwear	9%	29%	30%	35%
Pharmacy and Wellness	25%	15%	25%	28%
CDIT	26%	32%	50%	45%
Home and Living	9%	15%	25%	30%
Others	11%	12.7%	30%	20%

**Accessories include Bags, Belts, and Wallets;*
Others include Books and Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages and Tobacco etc.

Exhibit 23: Size of Organized Retail across Categories

Categories	2015	2020	2021 (P)	2025 (P)
Total Organized Retail (US$ bn)	**41**	**94**	**91**	**198**
Food and Grocery	8.0	23.7	30.4	62.9
Jewellery	10.0	19.9	13.7	34.4
Apparel and Accessories*	9.0	19.9	15.5	36.5
Footwear	2.0	2.7	1.7	3.9
Pharmacy and Wellness	1.0	3.4	4.0	9.7
CDIT	7.0	16.1	16.9	32.2
Home and Living	2.0	5.1	5.3	13.1
Others	2.0	3.2	3.9	5.2

**Accessories include Bags, Belts, and Wallets*
Source: Secondary research, Industry reports, Technopak Analysis

Exhibit 24: Share of Brick and Mortar and E-commerce across Categories

	Fiscal 2020					Fiscal 2025 (P)				
	Share of Retail	**Retail Size (US$ Bn)**	**Share of traditional retail**	**Share of B&M Retail**	**Share of E-commerce**	**Share of Retail**	**Retail Size (US$ Bn)**	**Share of traditional retail**	**Share of B&M Retail**	**Share of E-Commerce**
Food and Grocery	66.3%	526	99.5%	4%	0.5%	66.2%	699	91%	5%	4%
Jewellery	7.8%	62	68%	28%	4%	8.2%	86	60%	32%	8%
Apparel and Accessories*	7.9%	62	68%	17%	15%	7.7%	81	55%	20%	25%
Footwear	1.2%	9	71%	12%	17%	1.1%	11	65%	8%	27%
Pharmacy and Wellness	2.9%	23	85%	8%	7%	3.3%	35	72%	14%	14%
CDIT	6.4%	50	68%	4%	28%	6.8%	72	55%	6%	39%
Home and Living	4.3%	34	85%	8%	7%	4.2%	44	70%	9%	21%
Others	3.2%	25	87%	4%	9%	2.5%	26	79%	6%	15%
Total	**100%**	**793**				**100%**	**1054**			

	Fiscal 2020					Fiscal 2025 (P)				
	Share of Retail	**Retail Size (US$ Bn)**	**Traditional Retail**	**B&M Retail**	**E-commerce**	**Share of Retail**	**Retail Size (US$ Bn)**	**Traditional Retail**	**B&M Retail**	**E-Commerce**
Food and Grocery	66.3%	526	502	21.75	2.75	66.2%	699	636	35	28
Jewellery	7.8%	62	42	17	2.5	8.2%	86	52	27	7
Apparel and Accessories*	7.9%	62	42	10	9.5	7.7%	81	45	16	20
Footwear	1.2%	9	6	1	1.6	1.1%	11	7	1	3
Pharmacy and Wellness	2.9%	23	20	2	1.5	3.3%	35	25	5	5

CDIT	6.4%	50	34	2	14	6.8%	72	40	4	28
Home and Living	4.3%	34	29	3	2.5	4.2%	44	31	4	9
Others	3.2%	25	22	1	2.2	2.5%	26	21	2	4
Total	**100%**	**793**	**697**	**58**	**37**	**100%**	**1054**	**856**	**94**	**104**

**Accessories include Bags, Belts, and Wallets*
Source: Technopak Analysis

INDIAN APPAREL MARKET OVERVIEW

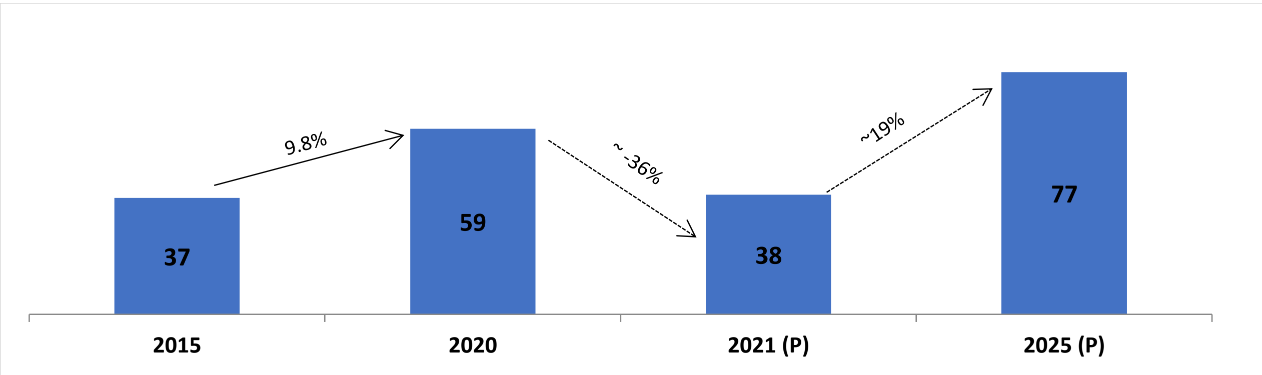
Indian Apparel Retail Market

Apparel market size in Fiscal 2020 is estimated to be US$ 59 Bn, and is expected to grow at a CAGR of approximately 5.5% between Fiscal 2020 and Fiscal 2025 to reach US$ 77 Bn by Fiscal 2025 on the back of factors like higher brand consciousness, increasing digitization, greater purchasing power and increasing urbanization.

While the market is expected to degrow by 36% in the Fiscal 2021 due to negative impact of COVID-19 pandemic, the market is expected to recover at a higher pace of 19% between Fiscal 2022 and Fiscal 2025.

While the CAGR of total apparel market between Fiscal 2020 and Fiscal 2025 is expected to be approximately 5.5%, the branded apparel and organized apparel retail are expected to grow at CAGR of approximately 10% and approximately 11% respectively during the same period. In other words, growth of both branded apparel share and organized apparel retail share in apparel category will outpace the overall category growth. COVID-19 gave impetus to the growth of e-commerce which is expected to become a significant growth driver for the organised market.

Exhibit 25: Apparel Market Size in India (in US$ Bn)*



Source: Technopak Analysis
Note: Year indicates Fiscal
**Excludes accessories (Bags, Belts, Wallets etc.)*

With people indulging more in health and fitness regimes, demand for sports and athleisure wear has witnessed growth. The demand for categories like formal wear and ethnic wear also returned in the third quarter of Fiscal 2021 due to the onset of the festive season.

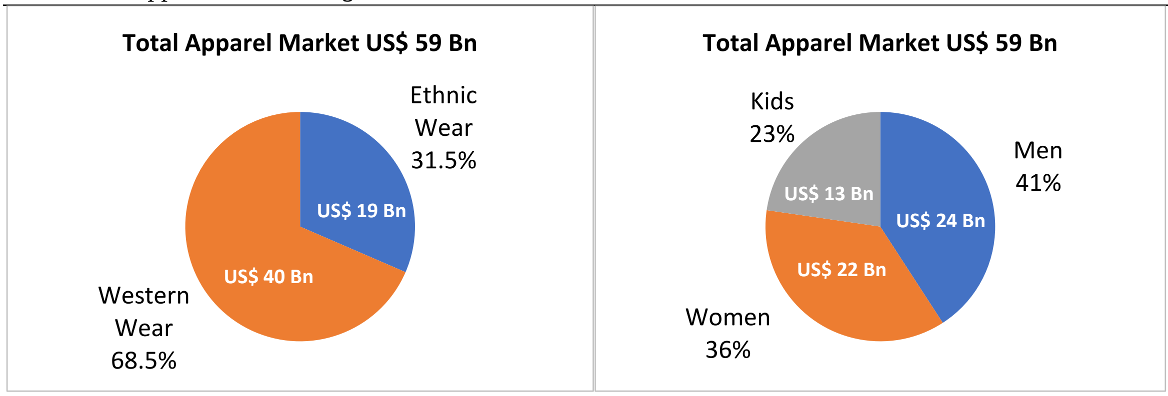
Exhibit 26: *Share of Branded Apparel and Organized Apparel Retail as a percentage of Apparel Market*

Source: Technopak Analysis
Branded apparel signifies registered trademarks that are regularly patronized by customers and that are sold through both organized retail and trade channels. Organized retail signifies formal retail channels of Exclusive Brand Outlets (EBOs), Large Format Stores (LFS), E-commerce etc. Apparel retailed through these organized retail point of sales is necessarily branded. Therefore, organized share is less than the share of Branded apparel in total share

Product Segmentation

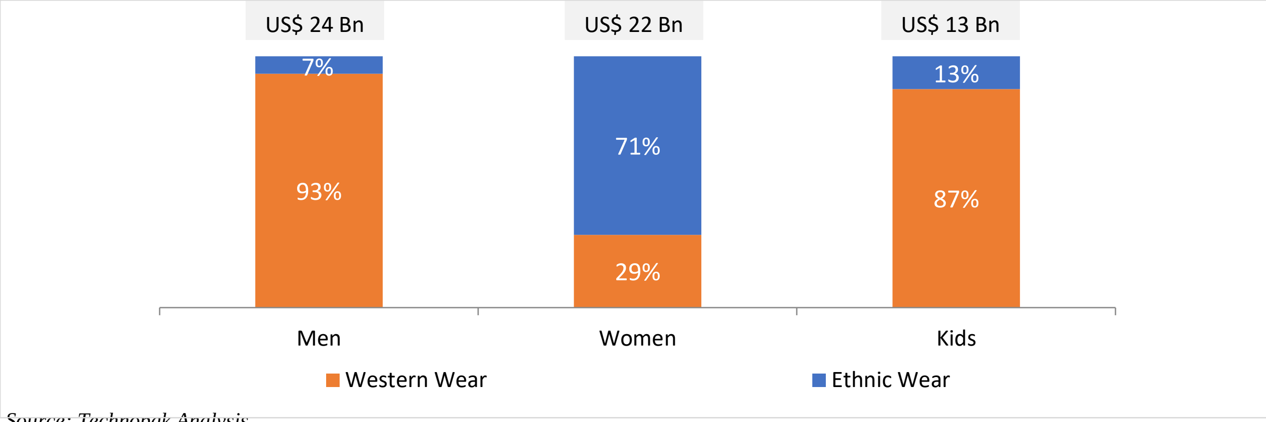
Men's apparel constituted approximately 41% and Women's apparel share is estimated to be approximately 36% of the total apparel market. The balance approximately 23% is contributed by kids' apparel. Out of the total apparel market, Indian/Ethnic wear accounts for approximately 32% or US$ 19 Bn (Fiscal 2020) and the balance 69% of the market comprises of western wear. The high share of Indian wear in the total apparel is a unique feature of apparel market in India. In women's wear market, western wear contributes approximately 29% to the total market. However, for men and kids, the contribution of western wear is significant.

Exhibit 27: Apparel Product Segmentation – Fiscal 2020



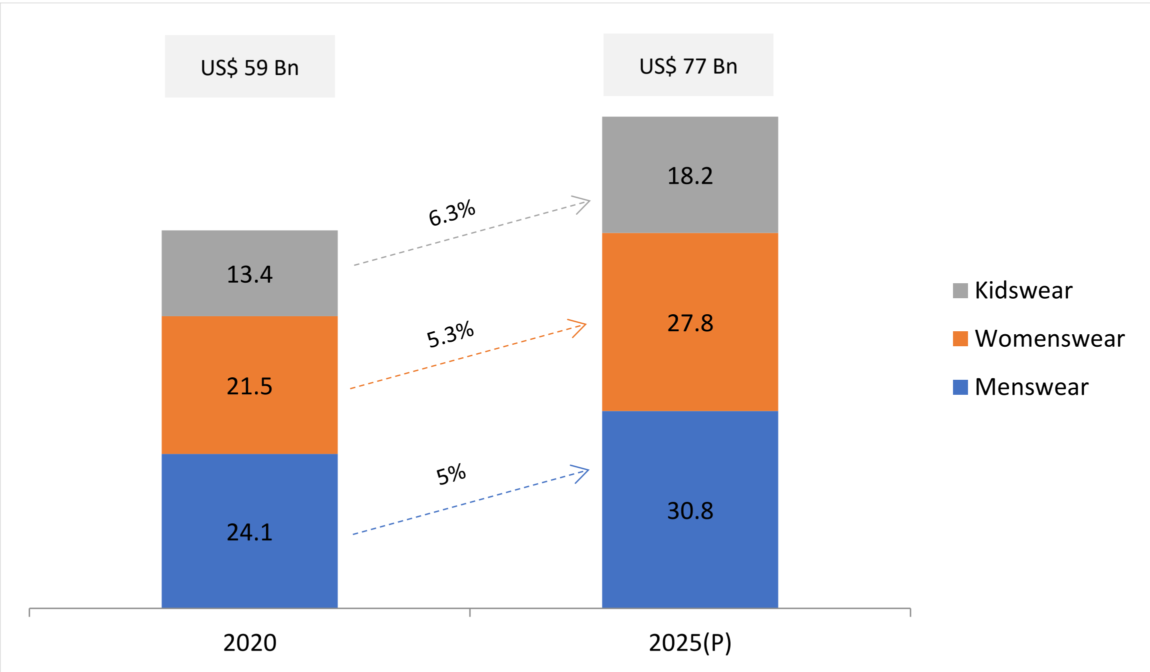
Source: Technopak Analysis

Exhibit 28: Split of Indian Apparel Market by Gender – Fiscal 2020



Source: Technopak Analysis

Exhibit 29: Growth Projections of Indian Apparel Market by Gender



Source: Technopak Analysis

The women's wear market is projected to grow due to a) an increase in the number of working women, b) a shift towards aspiration rather than need based buying c) design innovation. The growth will be led by western wear categories such as T-shirts, denims, active wear and innerwear.

Ethnic Wear Market in India

In men, ethnic accounts for 7% of the total menswear market of ~US$ 24.1 Bn, while in women, ethnic wear holds a significant share of 71% of the total ~US$ 21.5 Bn womenswear market. This implies that women's ethnic wear is the mainstay for ethnic wear in India.

The disproportionate size of ethnic wear in womenswear is an outcome of the distinct positioning of ethnic wear for women compared to that for men in India. For Indian women, ethnic fashion is a mainstream need for daily wear use (in addition to strong occasion wear) whereas for men it is currently restricted to occasion wear viz. weddings and festivals. While sarees/blouse/petticoat category forms almost 53% of the ethnicwear market for women, the rest of the market of 47% is contributed by SKDs (salwar, kameez, dupatta) etc.

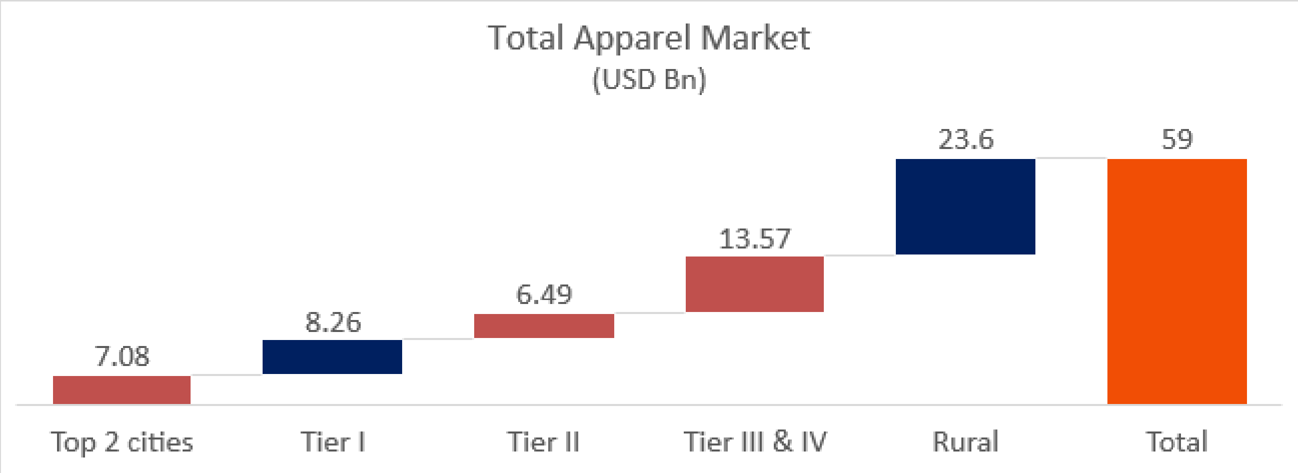
Western Wear Market in India

In men, western wear accounts for more than 93% of the total menswear market of ~US$ 24.1 Bn, while in women, western wear holds ~29% of the total ~US$ 21.5 Bn womenswear market. In kid's, western wear accounts for ~87% of the total US$ 13.4 Bn kidswear market. This implies that men and kids western wear is the mainstay for western wear in India.

Apparel Market Segmentation across City Types

The urban apparel market has a share of 60% of the total market compared with a share of 40% contributed by the rural India. Almost 21% of the apparel demand can be attributed to Delhi NCR and Mumbai making these cities the largest consumers of apparel in India. However, a distributive growth across the country is resulting in growth of demand from Tier II, III and IV cities which together account for 34% of the demand.

Exhibit 30: Apparel Market Segmentation across City Types – Fiscal 2020



Source: Technopak Analysis
Tier I Cities: All State Capitals and Metros (Delhi-NCR included)
Tier II Cities: Cities with Census Population >10 lacs and not Tier I;
Tier III Cities: Towns with Census Population >2 lacs or Towns with Census Population between 1 and 2 lacs and District HQ
Tier IV Cities: Towns with Census Population between 1 and 2 lacs and Not District HQ or Towns with Census Population <1 lacs

Key Trends and Growth Drivers in Indian Apparel Retail

Premiumization of Brands

Premiumization in apparel brands has led to portfolio extensions by adding new categories like innerwear, accessories, footwear, luggage etc. Similarly, new sub brands allow premium brands to get in to new segments like sports, luxury etc. Brands like Arrow and Louis Philippe have extended into sub-categories like accessories, footwear, luggage etc. Similarly, new segments have been added like LP Sports and Luxure by Louis Philippe and Arrow Sports and New York (young formals) by Arrow. Customization is another trend in premiumization of brands. Currently premium Indian apparel brands are providing this exclusivity and uniqueness to high end customers in a limited manner, but the trend is catching up.

Value Fashion led growth

Going forward, value fashion will continue to be the mainstay of growth of apparel retailers and brands in both ethnic and western wear segments. This growth can be attributed to movement from unbranded to branded, RTS to RTW and migration from rural to urban centres. Value fashion retailer such as fbb, Max Fashion, Unlimited, and our Company are bridging the price gap in the branded apparel market by offering quality product at affordable price.

Ethnic wear brands such as Biba and W had also introduced their value brands Rangriti and Aurelia and have been able to grow their footprints to 200+ stores like their parent brands. As a result of this growing demand, value fashion focussed brands, private brand led retailers, LFS and online aggregators will continue to benefit.

Large Format Store led growth

Inspite of optimism around e-commerce, there are barriers such as lack of quality internet access and interface, due to which brick and mortar led growth of organised retail will continue, as is indicated by rate of expansion of EBOs and LFSs into Tier 1 and 2 cities. In the last three years, LFS have grown their footprints with the expansion of Central, Brand Factory, Shoppers Stop, Reliance Trends, Westside, Decathlon and Pantaloons in towns beyond Metros and Tier I cities. Large format stores have registered a CAGR of almost 25% for store expansion in the last three years and they will continue to be important growth drivers for organized apparel retailing.

Growth of Private Brands

Acceptance of private brands among multi-brand retailers is on rise across product categories. Some reasons that can be attributed for their growth are:

- **Higher Margins**: Due to low advertising and promotional costs, they offer higher margins
- **Customer Loyalty**: Private brand buyers are more store-loyal
- **Differentiation**: Provide opportunity to retailers to differentiate themselves from other stores
- **Higher Bargaining Power**: A successful retailer with high share of private brands gets higher bargaining power to negotiate with suppliers

Multi brand lifestyle retailers the world over operate a private brand mix of approximately 25%. Kohl's, Macy's and other retailers that have achieved scale and profitability will naturally progress towards building private brand portfolio that will give incremental gross margin additions. Similarly, both offline and online retailers in India have been aggressive with their private brands.

Technology Intervention

In Indian apparel sector, technology deployment in manufacturing, sourcing, retailing, marketing and data management is becoming the biggest value creator.

In-store Experience – Apparel players are implementing in-store technologies in congruence with the growing number of tech savvy, knowledgeable and demanding customers. Some of the technological components being used are: Augmented Reality (AR); Virtual Reality (VR); Video screens and kiosks for in-store ordering; Beacon tech/Apps; Checkout Free Scan and Go Services

Customer Data Mining - Apart from generating valuable insights on consumer behaviour through analysis of data collected, these technological experiences are engaging shoppers from product discovery to product delivery. They assist customers at every stage of shopping.

VALUE APPAREL RETAILING

Value Apparel Retailing Overview

Value fashion in India is estimated to be approximately US$ 34 Bn in Fiscal 2020, accounting for approximately 60% of the overall apparel retail market (approximately US$ 59 Bn). The balance is constituted by the non-value segment. Within non-value segment, premium and super-premium segments account for almost 16% and the rest is contributed by the low value segment. While the overall category is projected to grow at a rate of 6% in the coming 5 years, the branded value apparel and organized value apparel retail are expected to grow at CAGR of approximately 12.6% and approximately 13% respectively during the same period. In other words, growth of both branded value apparel share and organized value apparel retail share in apparel category will outpace the overall category growth.

The organized players in this segment are bringing together economy and mid-segment of fashion aiming to provide quality fashion at affordable prices in a good retail environment. These large format stores catering to the entire basket of family needs are aiming at consumers who are the first time users of branded products or at fashion conscious middle class consumers seeking quality at affordable prices. Value retail is focussed on meeting the aspirations of the consuming class in the country. There is a large addressable market for value apparel retail made up of millennials and Gen Y and Z customers (14-40 age group) and residing in tier II, III and IV cities in urban and semi-urban areas. This market comprises of households with an average annual income of US$ 5,000 – US$ 10,000, of fashion conscious, value and quality seeking youth and young families (newborns to 40-year-old consumers) which forms the bulk of purchasing power of the Indian population. The brand offer is designed based on the consumer's socio-economic conditions, purchasing power, demographic details and customer trends.

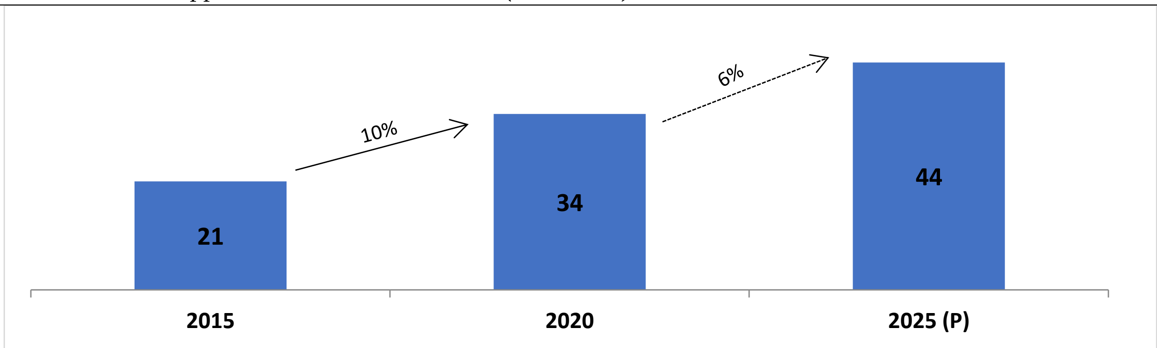
Because of the impact of COVID-19 in Fiscal 2021, the compounded rate of growth for the coming 5 years has come down to almost 6%. This is mirroring the trend witnessed in overall apparel retail.

Exhibit 31: Indicative Price Ranges for Value Segment

Men's Shirt	300-1200

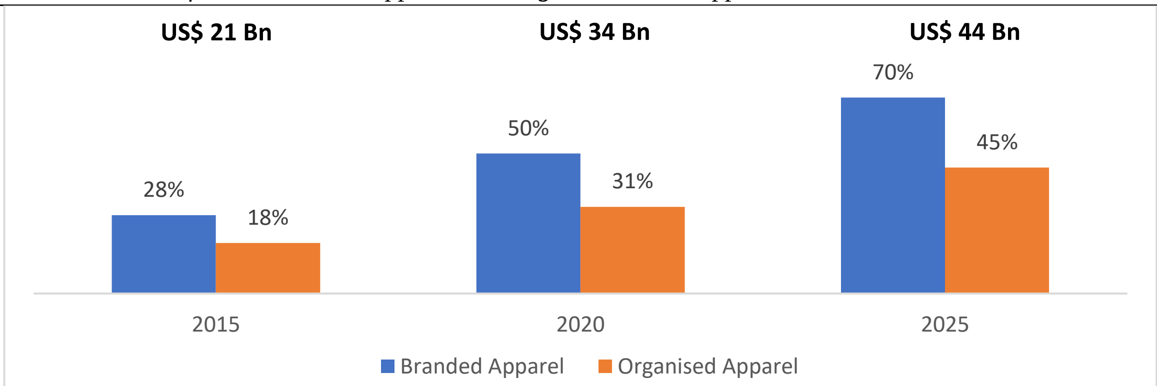
Men's Trousers	350-1500
Women's Ethnic Wear	500-2000
Kids' Wear	150-800

Exhibit 32: Value Apparel Market Size in India (in US$ Bn)*



Source: Technopak Analysis
Note: Year indicates Fiscal
**Excludes accessories (Bags, Belts, Wallets etc.)*

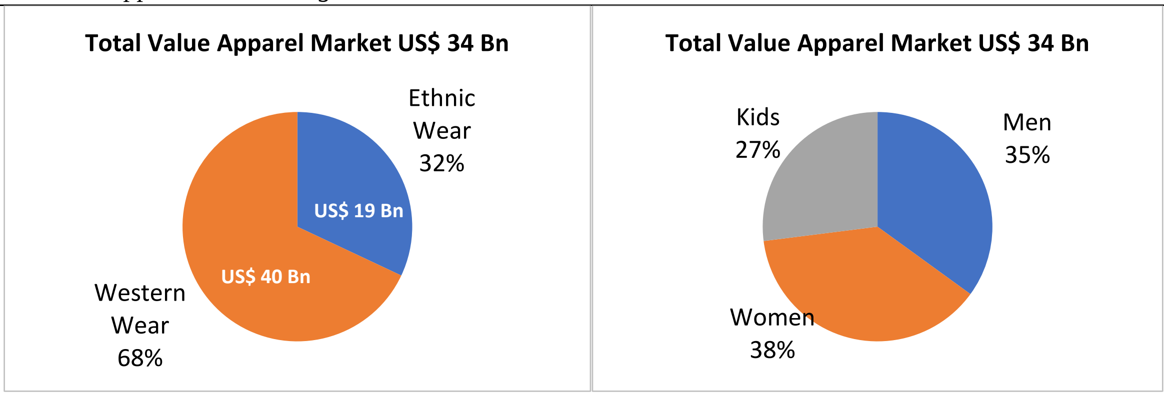
Exhibit 33: Share of Branded Value Apparel and Organized Value Apparel Retail

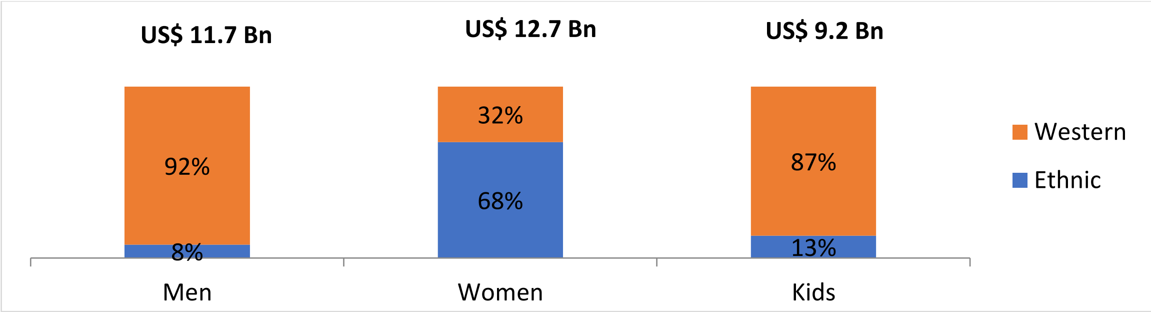


Source: Technopak Analysis
Branded apparel signifies registered trademarks that are regularly patronized by customers and that are sold through both organized retail and trade channels. Organized retail signifies formal retail channels of Exclusive Brand Outlets (EBOs), Large Format Stores (LFS), E-commerce etc. Apparel retailed through these organized retail point of sales is necessarily branded. Therefore, organized share is less than the share of Branded apparel in total share

As compared to the overall apparel market, the share of menswear in value segment goes down by 6% and is compensated by the incremental share of womenswear and kidswear, 2% and 4% respectively. This is primarily because of menswear being adequately represented in premium segment but more than 60% of the womenswear and kidswear falling only within the value segment.

Exhibit 34: Apparel Product Segmentation – Fiscal 2020





Source: Technopak Analysis

Competitive Landscape

In early 2000s, retailers like Pantaloons, V2 Retail and our Company pioneered the value retail segment which was largely unorganized until then. This trend was followed by the large corporates like Reliance, Future Group, Landmark group who established value apparel retail chains to leverage this opportunity. At present, some of the organized retailers such as fbb, Max Fashion, Reliance Trends, Pantaloons, Brand Factory and our Company are national players with an equitable focus on all regions. However, the others are region focussed such as Zudio in South and West, Style Baazar and Baazar Kolkata in East, Easy Buy in South and V2 Retail and City Kart in East and North. A large share of apparel sales of e-commerce players such as Flipkart, Amazon and others also comes from the value segment. However they are in the process of deepening their penetration in Tier II, III cities and beyond.

The key success factors for the brick and mortar players have been targeted private labels, good quality shopping experience, deep understanding of customer's preferences, regular fashion freshness as well as continuous supply chain improvement.

Exhibit 35: Key Organised Value Apparel Retailers

Brand	Year of Launch	Number of Stores (As per the store locators on December 31st, 2020)	Focus
Reliance Trends*	2007	828	National
Pantaloons	1997	331	National
Max fashion	2004	330	National
V-Mart**	2003	228	National
Zudio	2016	108	Regional - South and West
Brand Factory	2006	106	National
City Life Retail	2006	100	Regional
Fbb	2012	94	National
Style Baazar	2013	83	Regional – East
Baazar Kolkata	2002	78	Regional – East
V2 Retail	2001	78	Regional - East and North
City Kart	2016	57	Regional - East and North
EasyBuy	2014	24	Regional – South

** Approximately 1400 stores as per Fiscal 2020 annual report*
***274 stores on Dec 31st, 2020 as per primary research*

Source: Secondary research, Industry reports, Technopak Analysis

Value Apparel spend across States and City Types

Delhi and Haryana in the north, Maharashtra in West, Telangana, Tamil Nadu, Karnataka and Kerala in south and Sikkim in north east have registered a high annual retail spending per capita in 2020. On the other hand, states like Madhya Pradesh, Orissa, Jharkhand, Bihar and all the north-eastern states are which are currently low in terms of annual retail spending per capita are projected to grow at a CAGR of more than 10% in the coming 5 years, thereby becoming centres of fast paced consumption growth. These states treading the path of development are ripe opportunity centres for value apparel retail in addition to the states like Uttar Pradesh and Gujarat which will continue to remain large centres of retail spending.

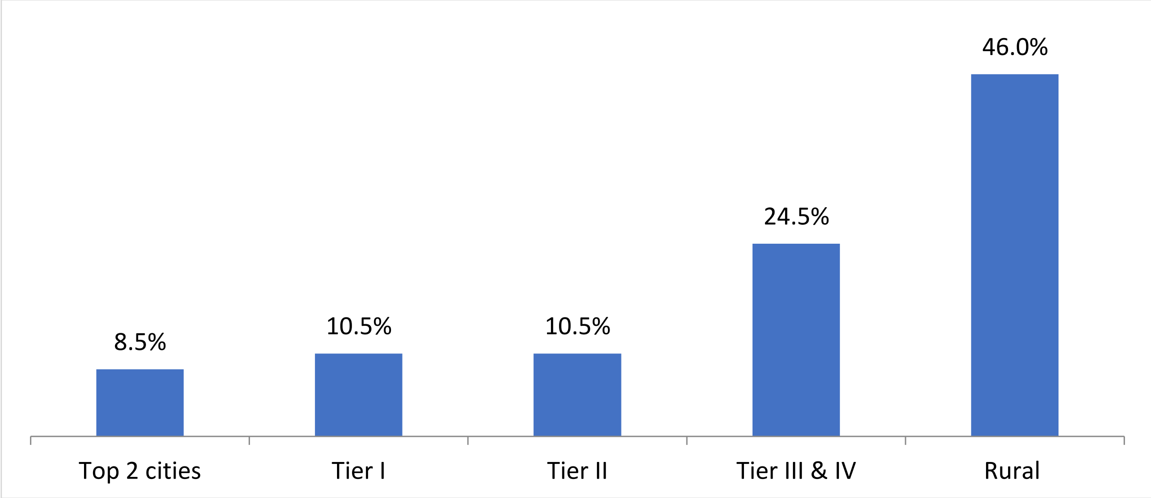
Exhibit 36: Share of Retail Spending across states

		2020		2021 (P)		2025 (P)			2020	2020	2020
Zone	**States**	**Retail Spending (US$ Bn)**	**% of Total Retail**	**Retail Spending (US$ Bn)**	**% of Total Retail**	**Retail Spending (US$ Bn)**	**% of Total Retail**	**CAGR 2021-25**	**Population (Mn.)**	**Annual Retail Spending per capita (USD)**	**Spend on Value Apparel Segment (US$ Bn)**
North	Delhi	34.1	4.3%	30.9	4.3%	46.5	4.4%	10.7%	19.9	1717.7	1.44
	Haryana	30.9	3.9%	28.0	3.9%	42.2	4.0%	10.8%	28.5	1084.7	1.31
	Punjab	19.0	2.4%	17.3	2.4%	24.3	2.3%	8.9%	30.9	614.4	0.81
	MP	25.4	3.2%	23.0	3.2%	34.8	3.3%	10.9%	82.6	307.6	1.08
	UP	54.7	6.9%	48.9	6.8%	67.6	6.4%	8.4%	226.5	241.5	2.32
West	Maharashtra	118.2	14.9%	106.4	14.8%	152.1	14.4%	9.3%	122.9	961.8	5.01
	Gujarat	49.2	6.2%	43.9	6.1%	62.3	5.9%	9.2%	68.2	721.1	2.08
	Rajasthan	32.5	4.1%	28.8	4.0%	40.1	3.8%	8.7%	77.2	421.1	1.38
South	AP	30.9	3.9%	27.3	3.8%	37.0	3.5%	7.9%	51.9	595.9	1.31
	Telangana	32.5	4.1%	30.2	4.2%	46.5	4.4%	11.4%	38.6	841.0	1.38
	Tamil Nadu	62.6	7.9%	56.8	7.9%	82.4	7.8%	9.7%	76.3	820.4	2.65
	Karnataka	53.9	6.8%	49.6	6.9%	77.1	7.3%	11.7%	67.0	804.7	2.28
	Kerala	28.5	3.6%	25.2	3.5%	33.8	3.2%	7.7%	35.0	814.0	1.21
East	West Bengal	35.7	4.5%	31.6	4.4%	44.4	4.2%	8.8%	99.4	359.1	1.51
	Orissa	14.3	1.8%	12.9	1.8%	19.0	1.8%	10.1%	44.0	324.8	0.60
	Jharkhand	9.0	1.2%	8.6	1.2%	14.0	1.3%	13.2%	37.6	239.7	0.38
	Bihar	23.8	3.0%	23	3.2%	41.2	3.9%	15.7%	120.0	198.4	1.01
North East	Sikkim	1.2	0.2%	1.2	0.2%	2.1	0.2%	15.1%	0.7	1864.3	0.05
	Mizoram	0.6	0.1%	0.6	0.1%	1.0	0.1%	13.5%	1.2	535.8	0.03
	AP	0.8	0.1%	0.8	0.1%	1.1	0.1%	10.1%	1.6	497.2	0.03
	Tripura	1.9	0.2%	1.8	0.3%	2.9	0.3%	12.3%	4.0	483.7	0.08
	Nagaland	0.8	0.1%	0.8	0.1%	1.2	0.1%	11.2%	2.1	389.8	0.04
	Assam	10.4	1.3%	9.8	1.4%	16.2	1.5%	13.4%	34.5	301.3	0.44
	Meghalaya	1.0	0.1%	1.0	0.1%	1.5	0.1%	11.9%	3.5	287.9	0.04
	Manipur	0.9	0.1%	0.9	0.1%	1.3	0.1%	10.6%	3.4	269.5	0.04
		673.0	84.9%	609.1	84.7%	892.7	84.5%	9.9%	1277.4	526.8	

Source: Technopak Analysis

Almost 80% of the demand for value apparel sits in Tier II cities and beyond. Nearly all of the value retail in rural areas is dominated by unbranded products selling through small traditional shops. However, in Tier II, III and IV cities, the penetration of organized retailers is close to 40% of the total value retail market. The penetration of organized channels in value apparel retail is higher in metros and state capitals indicating that there is an opportunity in Tier I, II, III and IV cities as they are transitioning from unbranded products and traditional retail experience to branded products and an improved shopping experience.

Exhibit 37: Value Apparel Market Segmentation across City Types – Fiscal 2020



Source: Technopak Analysis

Growth Drivers

Rapid urbanization and increasing disposable income

At present, 34.47% of India's population is classified as urban. The trend of urbanization is expected to continue with approximately 50% of India's population expected to be living in urban centers by 2050. High population growth is expected in tier III and tier IV cities as rural population migrates to these cities in search of work opportunities. As a result, the working population is expected to rapidly increase across Tier III and IV cities supporting these cities to emerge as new growth engines for fashion retailers.

Furthermore, the rural population is also stepping up in income levels due to availability of manufacturing based jobs, expansion of agriculture into value added farm activities and government's rural employment schemes. As a result, urban lifestyle with a price balance is increasingly being adopted in rural areas.

Growing youth population and increasing propensity to spend

The median age of 27 and workforce share of 50% of the population is suggestive of a large consuming youth population, consisting of both men and women, joining the workforce and inclined to spend their earnings on aspirational lifestyle. This demographic transformation is continuously and radically changing the retail landscape. Unlike the earlier generation, the youth is predisposed towards branded products and improved shopping experience and is continuously attempting to upgrade lifestyles. Mirroring the consumption story of the west, demand is being created in India for various segments and niches across price points.

Increasing internet penetration

Internet users have grown at a rate of 14% from 2015 to 2019 with a user base of 560 Mn in 2019, 90% of which are mobile internet users, thereby making internet easily accessible. With this installed base, internet has penetrated across semi urban and rural households bringing them at par with their urban peers as far as access to information is concerned.

Exposure to TV and smart phones

Exposure to content on television, OTT platforms, social media networking sites and other internet avenues are making consumers abreast with global fashion and retail trends. Content related to new brands, fashion trends, fashion styling and updates on deals and discounts are freely available through these channels. Brands are also leveraging these platforms to create seamless engagement with consumers. This exposure is elevating consumer's enthusiasm for fashion and leading them to reconfigure their wardrobes with different products for different occasions.

Growth in organised retail offering a great shopping experience

Entry of foreign brands, growth of organized retailers and proliferation of mall culture have conditioned the consumers to the idea of a robust shopping experience with air conditioned environment, facility of trial rooms, wider product range, price transparency, quality assurance, on-floor service assistance. However this experience has been perceived to be constrained by price as most of such retailers happened to be in the premium segment. The value retailers have been able to bridge this gap and continue to do so in the fashion underserved markets.

Consistent quality at affordable prices

Focussed approach towards offering consistent quality at affordable prices has been driving growth in this segment. The consistent delivery of this promise in tier II, III and IV cities has been aiding the transition of consumers from the unorganised traditional shops to the organised value retailers.

BENCHMARKING OF KEY APPAREL PLAYERS

Store Footprints

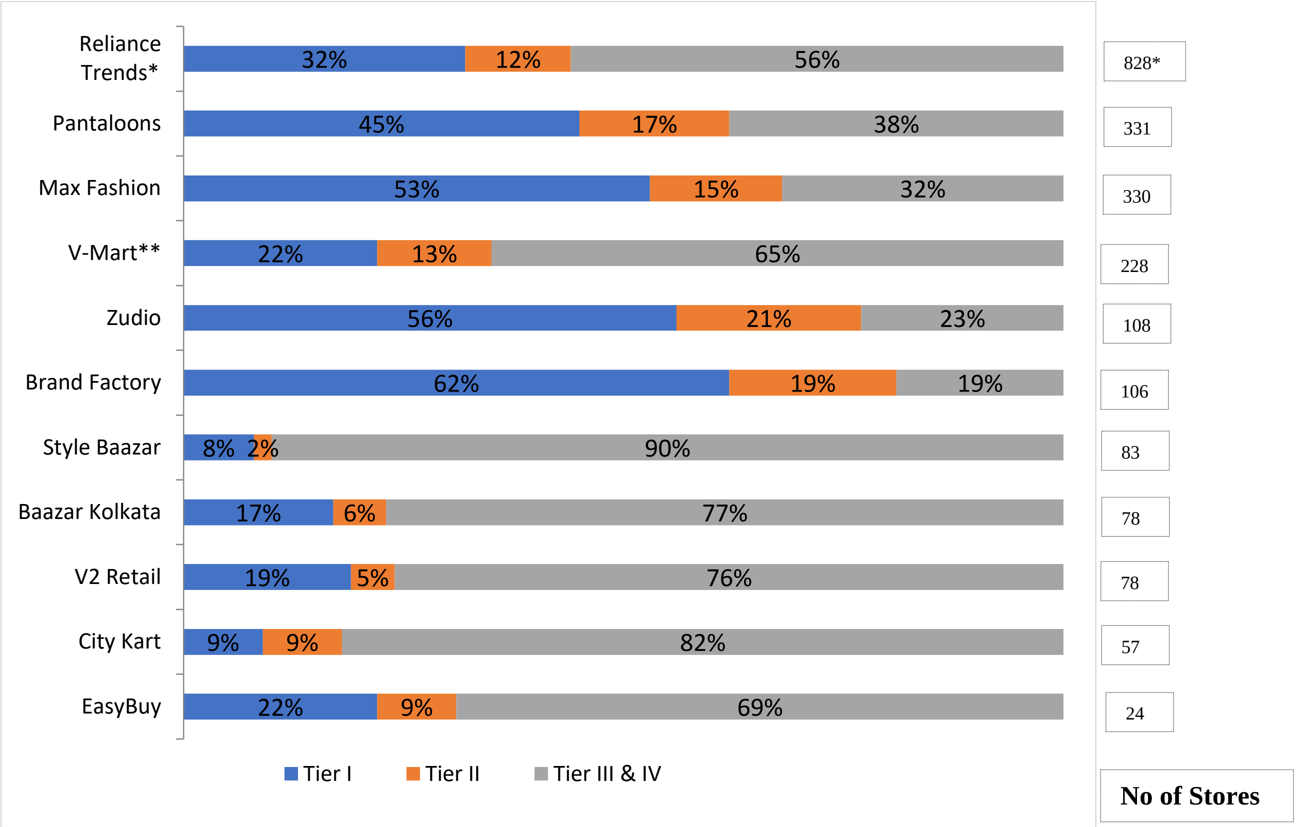
While approximately 69% of the value retail in India remains unorganized, retail formats with a sharp focus on value offering have aided the transition of this segment from being largely unorganized to having a 31% share of organized retail. While organized retailers such as fbb, Max Fashion, Reliance Trends, Pantaloons, Brand Factory and our Company are national players, others are region focused such as Zudio in South and West, Style Baazar and Baazar Kolkata in East, Easy Buy in South and V2 Retail and City Kart in East and North.

Exhibit 38: Store Footprint of key value apparel retailers in India

Brand	Number of Stores (As per the store locators on December 31st, 2020)	Focus
Reliance Trends*	828	National
Pantaloons	331	National
Max fashion	330	National
V-Mart**	228	National
Zudio	108	Regional - South and West
Brand Factory	106	National
City Life Retail	100	Regional
Fbb***	94	National
Style Baazar	83	Regional – East
Baazar Kolkata	78	Regional – East
V2 Retail	78	Regional - East and North
City Kart	57	Regional - East and North
EasyBuy	24	Regional – South

** Approximately 1400 stores as per Fiscal 2020 annual report*
***274 stores on Dec 31st, 2020 as per primary research*
****Fbb has 94 standalone stores but fashion also sells through 250+ Big Bazaar stores*
Source: Store Locator, Annual Report, Company Website, Secondary research, Industry reports, Technopak Analysis

Exhibit 39: Store distribution by city type



Number of stores as per the store locators on December 31st, 2020
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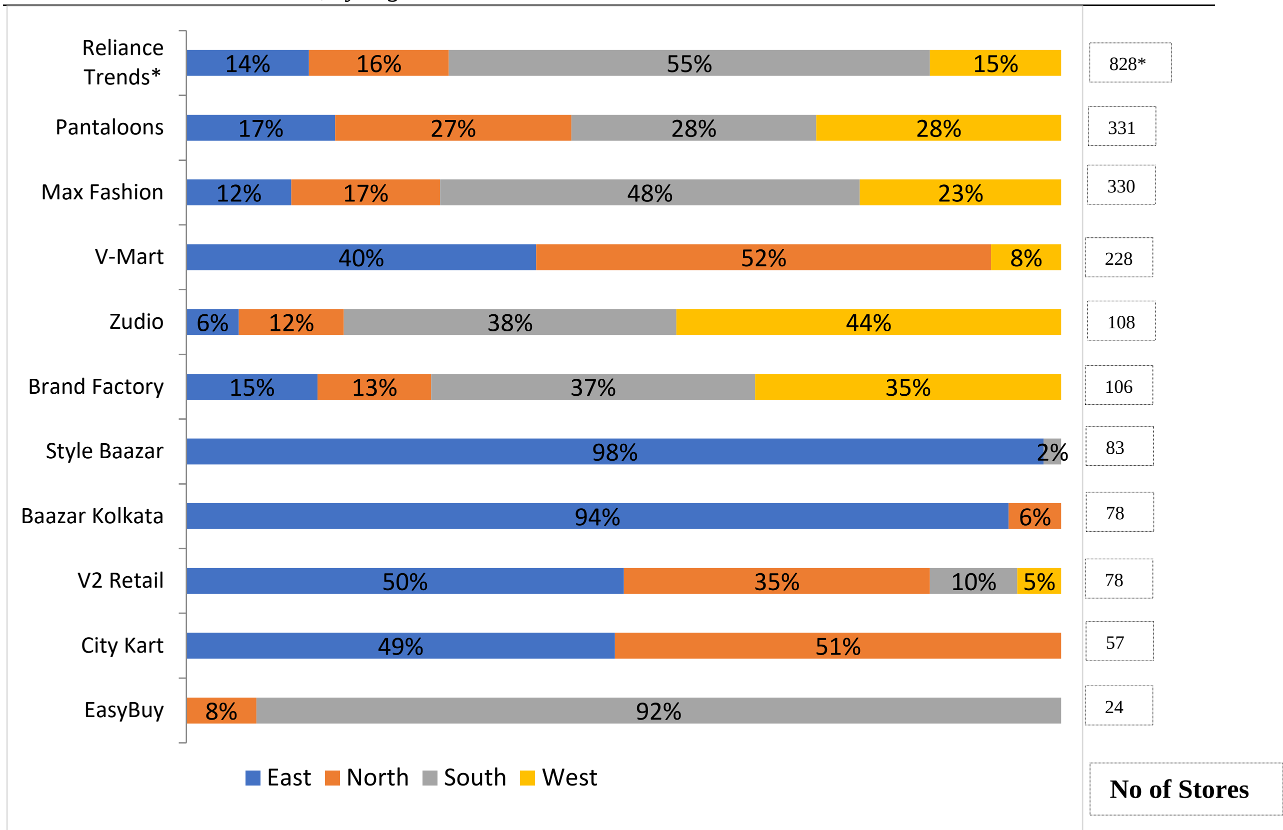
Tier I Cities: All State Capitals and Metros (Delhi-NCR included)
Tier II Cities: Cities with Census Population >10 lacs and not Tier I;
Tier III Cities: Towns with Census Population >2 lacs or Towns with Census Population between 1 and 2 lacs and District HQ
Tier IV Cities: Towns with Census Population between 1 and 2 lacs and Not District HQ or Towns with Census Population <1 lacs

While pan India players are present across regions, they continue to focus on Tier I cities including metros and state capitals. National players like Pantaloons, Max Fashion and Brand Factory have approximately 50% or more of their outlets in Tier I cities. On the other hand, regional players have established their foothold in certain geographies with stronger focus on Tier III and IV cities. With growing consumption in Tier III and IV cities and easy availability of retail space, organized value fashion retail has witnessed growing focus of regional players in these clusters. While large regional players like us have 65% of their outlets in Tier III and IV cities, small to mid-size players like Style Bazaar, V2 Retail, Bazaar Kolkata have 75%-90% of their outlets in these clusters.

Exhibit 40: Store distribution, by region



Number of stores as per the store locators on December 31st, 2020
** Approximately 1400 stores as per Fiscal 2020 annual report*
***274 stores on Dec 31st, 2020 as per primary research*

While national players such as Reliance Trends and Pantaloons are having Pan India presence, regional players are taking cluster approach and dominating one large market before moving to the next. Players such as Baazar Kolkata and Style Baazar are extremely east focussed and have more than 94% of their stores in East market. Players such as us and City Kart have most of their stores in two regions namely East and North.

Exhibit 41: Store distribution by state

	Reliance Trends*	Pantaloons	Max Fashion	V-Mart**	Zudio	Brand Factory	Style Baazar	V2 Retail	Baazar Kolkata	City Kart	EasyBuy
Andhra Pradesh	100	25	34		2	12	2	-	-	-	4
Arunachal Pradesh	-	1	-		-	-	-	1	-	-	-
Assam	14	5	4	9	-	1	8	5	2	2	-
Bihar	15	4	5	41	2	2	17	18	9	26	-
Chandigarh	4	1	1		-	-	-	-	-	-	-
Chhattisgarh	8	6	5		2	1	-	-	-	-	-
Delhi	24	28	27	4	-	6	-	3	-	-	1
Goa	-	1	4		1	-	-	1	-	-	-
Gujarat	22	24	14	7	23	11	-	-	-	-	-
Haryana	8	8	1	2	3	-	-	2	-	-	1
Himachal Pradesh	3	2	-	3	-	-	-	1	-	-	-
J and K	-	1	2	6	-	1	-	2	-	-	-
Jharkhand	11	1	3	17	-	-	8	7	7	-	-
Karnataka	92	5	44		18	16	-	6	-	-	5
Kerala	112	31	32		4	5	-	-	-	-	2
Madhya Pradesh	18	8	10	9	4	3	-	3	-	-	-
Maharashtra	58	10	32	3	21	20	-	-	-	-	-
Meghalaya	-	44	-	1	-	-	-	-	-	-	-
Nagaland	-	1	1		-	-	-	-	-	-	-
Odisha	23	1	9	10	1	2	11	7	16	-	-
Pondicherry	2	4	1		-	-	-	-	-	-	-
Punjab	32	10	7	5	4	2	-	-	-	-	-
Rajasthan	19	10	10	4	4	2	-	1	-	-	-
Sikkim	-	1	-		-	1	-	-	-	-	-
Tamil Nadu	145	28	42		4	4	-	-	-	-	5
Telangana	5	1	6		12	2	-	1	-	-	5
Tripura	1	1	-		-	-	2	1	1	-	
Uttar Pradesh	47	30	16	85	2	4	-	14	5	29	1
Uttarakhand	11	5	3	8	-	1	-	4	-	-	-
West Bengal	54	34	17	14	1	10	35	-	38	-	-
	828	**331**	**330**	**228**	**108**	**106**	**83**	**77**	**78**	**57**	**24**

Number of stores as per the store locators on December 31st, 2020
** Approximately 1400 stores as per Fiscal 2020 annual report*
***274 stores on Dec 31st, 2020 as per primary research*

Although national players are present in almost every state in the country, they have been more focussed in some states as compared to others. For example, Reliance Trends is more concentrated in Kerala, Tamil Nadu, Karnataka etc. Similarly, Max Fashion has higher focus on states in the south and west of India.

On the other hand, regional players follow a cluster approach and have presence in fewer states. While a large player like our Company has approximately 55% of their stores in 2 states of Uttar Pradesh and Bihar, small and mid-size players like Baazar Kolkata and Style Bazaar have over 60% of their stores in 2 – 3 states.

Large players like Reliance Trends and our Company have taken a cluster focus to expand its retail footprint on basis of adjacencies' and supply chain efficiencies. Cluster approach allows retailers to cater to the target market more effectively by understanding customer behaviour in a region and managing the local fashion requirements

Average Area and Sales per Square feet

Exhibit 42: Average Store Area and Sales per Square Feet of Key Value Apparel Retailers

Name of Player	Average Store Area (sqft)	Sales per Square feet, Annual (INR)
Reliance Trends*	11,000 (8,000 – 24,000)	6,000-8,000
Pantaloons	13,000 – 15,000	6,500 – 7,000
Max fashion	8,000-10,000	16,000-17,000
V-Mart	8,000	8500-9000
Zudio	6,000 – 8,000	8,000-10,000
Brand Factory	20,000-25,000	~12,000
City Life Retail	10,000	7,000 – 7,500
Fbb	10,000	15,000-16,000
Style Baazar	8,000 – 12,000	6,000 – 7,000
Baazar Kolkata	6,000 – 8,000	10,000 – 11,000
V2 Retail	10,000 – 12,000	9,000-10,000
City Kart	8,000 – 10,000	5,000-6,000
EasyBuy	5,000 – 6,000	7,000 – 7,500

Revenue and Profitability of Key Value Apparel Retailers

Exhibit 43: Revenue of Key Value Apparel Retailers

Name of Player	Revenue (INR Cr) (Fiscal 2020)	EBIT (INR Cr) (Fiscal 2020)
Reliance Trends	~6,000	NA
Pantaloons*	3514	222
Max fashion	3980	NA
V-Mart	1667	120
Zudio	504	NA
Brand Factory	2400	NA
City Life Retail**	715	-80
Fbb	5175	NA
Style Baazar**	533	12
Baazar Kolkata**	587	53
V2 Retail	703	10
City Kart**	223	17
EasyBuy**	330	NA

** Profitability number is for EBITDA*
*** Turnover and Profitability data available for Fiscal 2019 for these players*

Exhibit 44: Average Selling Price (ASP) and Share of Private Label of key value apparel retailers

Retailers	Apparel Segment ASP (INR)	Share of Private Labels in Apparel Segment (% of Revenue)
Reliance Trends*	450-480	75%
Pantaloons	700 – 750	65 – 70%
Max fashion	500-550	90 – 95%
V-Mart	300 – 350	59%
Zudio	-	100%
Brand Factory	500 – 550	-
City Life Retail	-	100%
Fbb	450-500	99%
Style Baazar		-
Baazar Kolkata	-	-
V2 Retail		30%
City Kart	-	-
EasyBuy	300 – 350	100%

Branded penetration in the market is skewed towards mid to premium price points and there is very limited offering in the value price points leading to pricing gaps in the market. These gaps in the market have provided an opportunity for retailers to launch their private brands in the value segment. Private brands led players such as Pantaloon, fbb, Max and our Company have identified these gaps and have launched products in the value fashion segment. Private brands are a win-win solution for both retailers and value consumers as these brands ensure better margins with good quality and design at affordable pricing for consumers

Cost Structure

Exhibit 45: Business Model - Based on the assessment of Fiscal 2020 Financials

Heads	Share
• Total Revenue	• 100%
• COGS	• 55-75%
• Gross Margin	• 25-42%
• Selling Expenses (Store Expenses)	• 5-8%
• Store Occupancy Cost (Lease Rental)	• 5-8%
• Warehousing, Freight, Logistics etc.	• 3-5%
• Overheads (Central)	• 8-10%
• EBITDA	• 4-12%

Key Success Factors

Continuous Operations and Supply Chain Improvement

Value retailers have been exercising strong control over the retail value chain including sourcing, supply chain, merchandising, store operations and customer management. Focus on sustainable relationship with suppliers and investment in warehousing, logistics and inventory management have been key ingredients for success for these retail formats.

Expansion through Clustered approach

Most of the value retailers like Zudio, V2 Retail and our Company have strengthened their foothold regionally within clusters before foraying into other regions. Expansion through clustered approach has lent them the advantage of optimizing the supplier base, warehousing infrastructure and product offering based on the customer preferences specific to such regions given that the culture varies every 100 – 150 kilometers preferences of that region. Unlike the premium and super-premium segment, wherein offering is designed in agreement with the global and macro fashion trends, the value segment needs consideration for heterogeneity to accommodate the nuances of the regional requirements and sensibility. Through clustered approach, these retailers have been able to add more value to their offering. The cluster based approach also helps the retailers in exhausting the opportunity in that cluster by operating a large number of stores in that area thereby creating an entry barrier for the other competitor brands.

Growth in Tier III and IV cities

Focusing on Tier III and IV cities has aided these retailers in unlocking the consumption potential of these cities. Approximately 23% of the total demand of apparel is estimated to come from these cities, 60% of which is currently estimated to be within the value segment. The organized value retailers have led the transition of the value apparel segment in these cities from being largely unorganized to being somewhat organized. Ability to provide quality products at affordable prices in a dignified retail environment has been an important reason for the wide acceptance of these formats across Tier III and IV cities.

Focus on Private Labels

Largely all the value retailers are private label led with some national brands included to complete the retail offering. Investments in robust product design and development capabilities and focus on private labels development across categories has been the key factor that enabled the value retailers to offer fashionable products at affordable prices, along with improved margins for the retailers as compared to that incase of national brands.

Mall like Retail Experience

In the earlier days, affordable pricing was considered the most important factor for making a purchasing decision but now customers also provide importance to retail experience. Hence the retailers who can provide optimal retail experience with affordable pricing are bound to grow in the coming years. Devoid of any such experience in the past, Tier II, III and IV city consumers readily accepted the mall like retailing ambience offered by these retailers.

E-TAILING AND APPAREL E-TAIL IN INDIA

E-tail: Evolution and Penetration

Overall E-commerce

E-tail in India has witnessed a rapid growth trajectory and is expected to reach 9.9% (US$ 104 Bn) of total retail by Fiscal 2025 from its share of 4.6% in Fiscal 2020 (US$ 37 Bn), expected to grow at rate of 23%. Between 2015 and 2020, the e-commerce sales have grown at CAGR of 44%. In 2012, the e-tail pie was US$ approximately 0.6 Bn and that was limited to key categories of Electronics, Books, Stationery, and Music which catered to nearly 50% of the pie.

The penetration of e-commerce in consumer durables is estimated to be the highest amongst all other categories at 28%. For this category, e-commerce accounts for almost 87% of the total sales through all the organised channels. The penetration of e-commerce in food and grocery is estimated to be very low given the dominance of unorganised vendors and kirana play.

Exhibit 46: E-tail penetration of Key Categories (Size in US$ Bn.)

	Fiscal 2015			**Fiscal 2020**			**Fiscal 2025 (P)**		
	Retail Size (US$ Bn)	**E-commerce (US$ Bn)**	**Share**	**Retail Size (US$ Bn)**	**E-commerce (US$ Bn)**	**Share**	**Retail Size (US$ Bn)**	**E-Commerce (US$ Bn)**	**Share**
Food and Grocery	330	0.03	0.01%	526	2.75	0.5%	699	28	4%
Jewellery	38	0.8	2.0%	62	2.5	4%	86	7	8%
Apparel and Accessories*	39	1.4	3.5%	62	9.5	15%	81	20	25%
Footwear	6	0.2	3.5%	9	1.6	18%	11	3	27%
Pharmacy and Wellness	14	0.4	3.0%	23	1.5	7%	35	5	14%
CDIT	29	2.7	9.5%	50	14	28%	72	28	39%
Home and Living	22	0.3	1.4%	34	2.5	7%	44	9	21%
Others	15	0.1	0.6%	25	2.2	9%	26	4	15%
Total	**492**	**5.9**	**1.2%**	**793**	**37**	**4.6%**	**1054**	**104**	**4%**

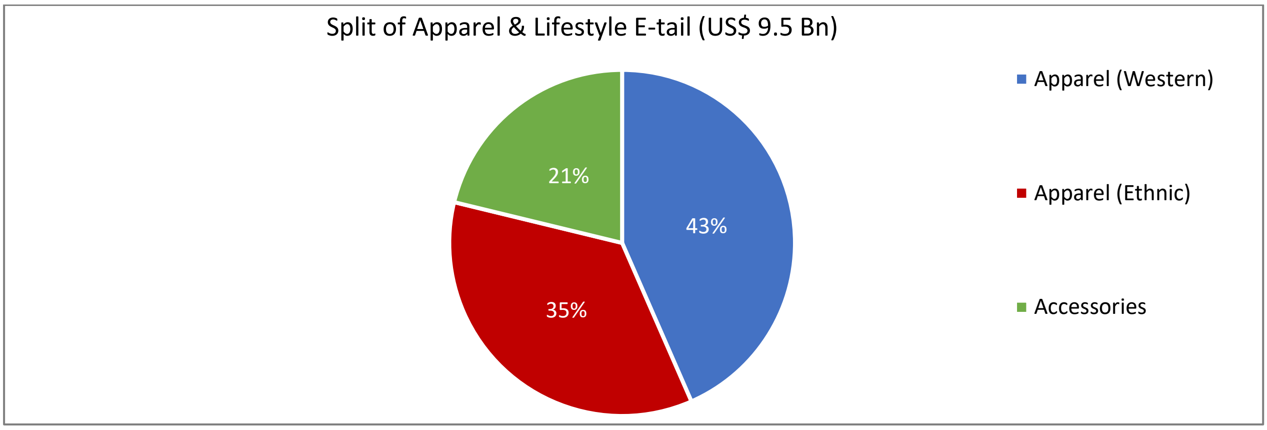
Source: Secondary research, Industry reports, Technopak Analysis; 1 US$= INR 75

Apparel E-tailing

The share of E-tail in apparel and accessories in overall retail share was 3.5% in Fiscal 2015. It is estimated that in Fiscal 2020, E-tail's share in Apparel and Accessories was over 14.5% and the share is expected to reach to approximately 25% by Fiscal 2025.

E-commerce in apparel and accessories has grown at high CAGR of 47% between Fiscal 2015 and Fiscal 2020.

Exhibit 47: Constituents of Apparel and Accessories in E-tail (2020)



Source: Secondary Research, Industry Reports, Technopak Analysis;

Exhibit 48: Broad types of Apparel and Accessories E-tailers (2020)

Source: Secondary Research, Technopak Analysis

Key Growth Drivers for E-tailing for Apparel and Accessories

The online penetration of apparel and accessories stands at approximately 14.5% in Fiscal 2020. However, the online penetration of apparel and lifestyle is expected to increase in future due to:

Increasing focus on apparel and lifestyle categories by leading marketplaces

Most of the sales for leading marketplaces like Amazon and Flipkart are driven by low margin Electronics category. However, with increasing pressure on players to improve operating margin, players are increasingly shifting focus to higher margin category like apparel and other lifestyle categories

Launch of private brands by online retailers

Over last few years, online retailers like Myntra, Flipkart and Amazon have launched private brands in Apparel, Footwear and other lifestyle categories to offer products across different price ranges and fashion categories. Players are increasingly focusing on private brands to achieve higher margins and build customer loyalty.

Myntra already has few private brands like Roadster, Mast and Harbour etc. offering apparel and footwear and is planning to add more brands to increase offering in the apparel and footwear segment. Even, brick and mortar retailers have launched their private brands through own e-commerce platforms to cater to the increasing population of online shoppers in the country eg: Future Retail has launched fbbonline.in, Future Lifestyle Fashions has launched brandfactoryonline.com, Reliance Retail has launched AJIO, etc.

Launch of online platforms by leading Apparel and other Lifestyle Retailers

Brick and Mortar players are increasingly focusing on becoming multi-channel driven by hybrid shoppers and wider reach of network. During the last one year, leading corporate houses who were till now in Brick and Mortar retail business, have ventured into the online space. Future Retail has launched fbbonline.in, Future Lifestyle Fashions has launched brandfactoryonline.com, Reliance Retail has launched Ajio, Tata Group has launched Tata Cliq, Arvind Limited has launched Nnnow.com and Landmark Group has launched Landmarkshops.in as their multi-channel initiative.

The launch of online platform by leading brick and mortar retailers will provide a platform for apparel and lifestyle brands to showcase their offering to a targeted set of consumers and will also allow retailers to showcase their private brands.

Growing internet penetration

The high growth of smart phones and internet users through smart phones is triggering the growth of e-commerce in general as well as apparel. On one hand, where social networking sites, fashion websites, apparel e-commerce platforms are rendering immense exposure to the fashion landscape, on the other hand, the growth in the volume of digital payments indicate that actual transactions are also witnessing an upward trajectory.

Exhibit 49: Growth of Digital Penetration

	2010	2015	2019	CAGR 2015-19
Internet Users (Mn.)	72	327	560	14%
Mobile internet Users as a share of Total Internet Users (%)	34%	59%	90%	
	24	192	504	27%

Source: Secondary Research

Exhibit 50: Installed Base of Smart Digital Devices

Number Of Users (In Mn.) of Various Digital Device In India	2010	2015	2019	CAGR 2015-19
Mobile phones	257	534	695	7%
Smart phones	6	170	502	31%

Source: Secondary Research

Exhibit 51: Growth of Internet Habitual Customers

Major Indicators (Mn.)	2010	2015	2019	CAGR 2015-19
No. of Facebook users	8	142	400	30%
No. of Railway tickets booked online (per annum)	72	180	284	12%
Number of IT returns filed online (per annum)	Negligible	20% (Top 8 cities)	60% (Top 8 cities)	-
Volume of Digital Payments	718	1335	34498	125%
Social Network Users India	27	142	351	25%

Source: Secondary Research

Growth of apparel e-commerce in Tier II and III cities

While e-commerce is currently largely focussed on tier I cities, it is projected that the next phase of growth of e-commerce will come from tier II and III cities. All e-commerce players have been witnessing a high growth in the recent past from tier II cities and beyond. However, as of now, the e-commerce sales are dominated by consumer durables, electronics, IT related products followed by apparel and lifestyle products. Low-mid income households in smaller towns are much slower in adoption of e-commerce and predominantly prefer to shop for apparel in a touch-and-feel environment as a planned and much-anticipated occasion for celebration 2-3 times a year.

Flipkart’s sale event witnessed 52% visits from Tier III and beyond cities, out of a total of 666 Mn visits. Myntra saw a 180% increase as compared to the last year in new shoppers from the Tier 3 cities. Paytm Mall also saw a 2X increase in the number of users from Tier II and Tier III towns.

Amazon had added 200 delivery stations across the country for the festive season sale. This included stations in remote northeast Indian towns such as Champhai, Kolasib, Lumding and Mokokchung, along with additional units in Tamil Nadu, Uttar Pradesh and other states to increase storage capacity in the region. Multiple payment options and easily accessible apps have led to a drastic increase in the growth potential of Tier 2 and Tier 3 cities in India.

E-commerce players have started to outsource their supply chain to third party logistic providers in order to shorten timelines for deliveries possible in remote areas of India.

FDI Rules

In 2012, the government allowed 100% foreign direct investment (FDI) in single brand retail under the automatic route, permitting foreign investors to set up shop in India without the government’s approval. However, if the foreign investment exceeded 51%, then sourcing 30% of the value of goods procured was made mandatory from India.

In 2015, the government relaxed e-commerce rules for foreign single brand retailers investing in India by allowing online sales over and above their brick-and-mortar presence. Brands can sell online before opening stores. It has, however, maintained that those applying under the single brand retail trading policy will also have to open a store within two years of starting online sales. The policy was aimed at lowering entry barriers for retailers.

In 2019, the government eased norms that permit 30% local sourcing by brands on an average over a five-year block, rather than in a single year. Procurement carried out by group entities for the brand (including global operations) is considered within the 30% clause, favouring the retailer’s interests.

The FDI Policy permits 51% foreign investment in multi-brand retail, subject to approval of the Indian government and fulfilment of certain conditions including the foreign investor needing to bring in a minimum of US$100 million; 50% of the total foreign investment being invested in backend infrastructure (including investment towards processing, manufacturing, storage etc.); and the multi-brand retail stores having to be set up only in cities with a population of more than 1 million. However, no FDI is permitted in e-commerce multi-brand retail. The policy prohibits foreign-funded marketplace players from engaging in inventory-based model of e-commerce. However, there is no such bar on domestic-funded marketplace players. It means that Amazon and Flipkart can only operate within the marketplace model in India. Both companies have wholesale units that bulk purchase goods and sell them to vendors listed on their platform. These vendors in turn sell to retail customers.

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Industry Overview", "Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations", "Risk Factors" and "Selected Financial Information" on pages 135, 254, 86, 45 and 35, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information in this section is based on the Audited Financial Statements and the Unaudited Condensed Interim Financial Statements, included in this Placement Document, except that financial information with respect to the nine months ended December 31, 2019 are derived from the comparatives presented in the Unaudited Condensed Interim Financial Statements as at and for nine months ended December 31, 2020. For further information, see "Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Selected Financial Information" on pages 254, 83 and 35, respectively.

*Unless otherwise indicated, all industry and market data used in this section has been derived from the "Report on Indian Apparel Industry" dated January 28, 2021 (the "**Technopak Report**") prepared and released by Technopak Advisors Private Limited, and commissioned by us. None of our Company, the Book Running Lead Manager or any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Overview

We are one of the pioneers in value retail segment in India. (*Source: Technopak Report*) We primarily operate in Tier-II and Tier-III towns and cities through a chain of 'value retail' stores, focused on meeting the aspirations of the consuming class in the country, offering products based on the consumer's socio-economic conditions, purchasing power, demographic details and consumer trends. Having opened our first store in October 2003 by the name of "V-Mart" at Ahmedabad, Gujarat, we now sell our products through 274 stores spread across 188 cities in 19 states, as on December 31, 2020. We are a customer centric company, constantly striving to create value for our customers by offering affordable fashion through a wide assortment to cater to the requirements of an entire family, and other merchandize for home and daily household consumption. We believe our offerings in the Tier-II and Tier-III towns and cities provide the consuming class quality products, primarily fashion merchandise, at affordable prices, under a modern ambience.

While our stores are located in 19 states with a focus on northern and eastern parts of India, we are committed to increasing our penetration across the country by leveraging our cluster-based expansion model. Typically, our new locations are strategically located within a radius of 100 - 150 kilometres from an existing store. These locations are identified and evaluated by our in-house new store operations team, based on a multi-dimensional business assessment matrix. This 'creeping expansion' approach is well-suited for understanding the diverse nature of customer base, in terms of local fashion trends and preferences, festivals, language, culture, cuisine, and ethnicity, all of which may vary even within small distances in India. This understanding translates into rapid scalability of store network in a cluster, procurement and supply chain efficiencies, and cost optimization in marketing and promotions. Adopting the cluster-based expansion model helps us to ensure that proper logistics support is available to our new stores, while facilitating inter-store sharing of resources, thereby reducing our operational costs. Such a model has allowed us to not only be more efficient but also effectively cater to the requirements of the customers across regions. At the end of Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, we had 171, 214, 266 and 274 stores across 145 cities, 171 cities, 190 cities and 188 cities, with store area of 14.53 lakh sq. ft., 18.14 lakh sq. ft., 22.08 lakh sq. ft. and 22.65 lakh sq. ft., respectively. Our strategy has been to deepen our store network at a block or tehsil level to attract both urban and rural customers, within existing clusters of presence that we believe are underserved by value fashion, while gradually expanding our network into newer geographies, pursuant to our cluster-based expansion model.

Our Company operates its business under three verticals – apparels, non-apparel, and FMCG verticals. Within the apparels vertical, which formed the majority of our revenue from contracts with customers as on December 31, 2020, we offer fashion garments for men, women, boys, girls and infants. Our apparel product mix focuses on ethnic, fusion, and western wear for women; formal, sports, and casual wear for men; and kids wear in various colours, and designs. The products offered under our non-apparel vertical are bags, toys, footwear and crockery and utensils, among others. Within the FMCG vertical, we primarily offer packed food and non-food products. During Fiscal 2020 and the nine months ended December 31, 2020, the revenue generated from our apparels vertical contributed to 78.62% and 78.27% of our revenue from contracts with customers whereas the revenue generated from our non-apparel vertical contributed to 13.38% and 13.46% and the revenue generated from our FMCG vertical contributed to 7.89% and 8.07%, of our revenue from contracts with customers, respectively.

Our sourcing capability is backed by an efficient logistics network, which is supported by effective systems and processes and a robust information technology infrastructure, thus allowing us to deliver on our value retailing promise. At our centralized warehouse, we have adopted technology and modern equipment extensively, leading to process efficiencies, thus helping us in optimizing costs. As a result, we are able to procure our merchandise optimally and manage our inventory levels efficiently to better respond to our customers' changing preferences and needs while also ensuring that prices are kept affordable.

Our Company is led by one of our Promoters and our Chairman and Managing Director, Lalit Agarwal, who has over 15 years of experience in the retail industry in India. In addition, our Promoter and Whole-time Director, Madan Agarwal also has over 15 years of experience in the apparel industry. We also have an experienced senior management team that possesses industry and management experience enabling us to capture market opportunities, formulate and execute business strategies, manage customer expectations as well as proactively pre-empt changes in market conditions.

Our total number of bill cuts was 172.27 lakh, 201.72 lakh, 223.56 lakh, 179.16 lakh and 83.70 lakh for Fiscals 2018, 2019 and 2020, and for the nine months ended December 31, 2019 and the nine months ended December 31, 2020, respectively. We were able to increase our total revenues during the last three Fiscals, from ₹ 122,651.30 lakh in Fiscal 2018 to ₹ 166,650.29 lakh in Fiscal 2020. However, given that the operations at our stores were suspended during the lockdown period due to the Government orders owing to COVID-19, our total revenues in the nine months ended December 31, 2020 was ₹ 74,028.39 lakh, as compared with our total revenues in the nine months ended December 31, 2019, which was ₹ 133,305.49 lakh. Our revenue from operations in Fiscals 2018 and 2019 was ₹ 122,237.19 lakh and ₹ 143,374.48 lakh, respectively, and our revenue from contracts with customers in Fiscal 2020 was ₹ 166,202.33 lakh, respectively. In line with the reduction of our total revenues, our revenue from contracts with customers in the nine months ended December 31, 2020 was ₹ 72,358.76 lakh whereas our revenue from contracts with customers in the nine months ended December 31, 2019 was ₹ 132,936.08 lakh. Our profit / (loss) for the year / period was ₹ 7,770.41 lakh, ₹ 6,162.62 lakh, ₹ 4,934.53 lakh, ₹ 5,778.03 lakh and ₹ (472.83) lakh, in the Fiscals ended 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, respectively.

Our Competitive Strengths

Cluster-based expansion model focused on Tier-II and Tier-III towns and cities

Our cluster-based expansion model of creating a group of stores in close vicinity has not only enabled us to optimize our supplier base and warehousing infrastructure, but also allowed us to offer products based on the customer preferences specific to such regions, especially given that culture varies every 100 – 150 kilometres. (*Source: Technopak Report*) Over the years, we have invested in establishing processes, capabilities, and technological infrastructure to support our store network, primarily focusing on Tier-II and Tier- III towns in northern and eastern India. Owing to such a model, we have also been able to ensure that a cost-efficient logistics support is continually available to our stores, with a limited fleet of transport vehicles capable of servicing a large number of our stores. Further, our cluster-based expansion model has also facilitated ease of inter-store stock movements allowing us the flexibility of maximising benefits from capitalising on supply chain efficiencies.

As on December 31, 2020, we sold our products through 37 stores, 140 stores and 34 stores, across Tier-II, Tier-III and Tier-IV towns and cities, respectively. We believe our penetration and long-term presence in certain of these Tier-II, Tier-III and Tier-IV towns and cities has resulted in a large and loyal customer base for us. Our aim is to further expand in the smaller towns and cities by opening new stores within a radius of 100 – 150 kilometres from our existing store clusters in such region.

Over the years, we have strived to expand our operations from the first store opened at Ahmedabad, Gujarat to 274 stores in 188 cities across 19 states in India, as on December 31, 2020. Key highlights of our expansion in the last three Fiscals and the nine months ended December 31, 2020 are set out below:

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	Nine months ended December 31, 2020
New stores opened during the fiscal	31	44	55	13
Cumulative number of stores at the end of the fiscal	171	214	266	274
Store area (*in lakh sq. ft.*)	14.53	18.14	22.08	22.65
Sales per sq. ft. per month (inclusive of taxes) (*in ₹*)	826.97	806.33	758.25	516.76

In addition, the cluster-based expansion model also helps the retailers in exhausting the opportunity in that cluster by operating a large number of stores in that area thereby creating an entry barrier for the other competitor brands. (*Source: Technopak Report*) This model we believe, has been particularly effective against our regional and local competitors who may lack the financial resources required to pursue rapid expansion in a particular cluster and may not have the capability to sustain losses in the interim while they are scaling up.

Serving youth and Young Families through affordable merchandize

We cater to the requirements of the 'consuming class' group of the population with an added focus on youth and Young Families, which forms the bulk of purchasing power of the Indian population, as per Technopak. Our target customer typically resides in Tier-II or Tier-III towns and belongs to the aspirational class. We serve consumers who we believe, typically are first-time users of branded products or the fashion-conscious middle-class consumers, seeking quality at affordable prices. Our Company's core competency lies in understanding the needs and aspirations of our customers in these towns and cities, and consistently translating that into a product assortment that is affordable and of reliable quality. In addition, we have also tried to focus on responding to any change in the market demand and trends and offer our customers a comprehensive range of products catering to their diverse requirements, at affordable prices.

While we predominantly focus on affordable fashion, 51 of our stores, referred to as composite stores, have a dedicated space for and provide a selective assortment of FMCG products as well. The remaining stores have a limited assortment of FMCG items occupying 8-10 fascia space. Our success depends on introducing products at relevant price points to cater to the diverse clothing, fashion, and other home consumption needs of our customers and their families thereby enabling them to spend on products that we offer. Many factors we believe, affect the level of consumption such as consumer confidence and spending, recession, inflation, deflation, pandemic, political uncertainty, taxation, and unemployment. However, we believe our ability to understand consumer preferences and to anticipate any changes thereon, and to successfully offer latest products to cater to these preferences, has helped us grow our revenue.

At 78.27%, the apparels vertical forms a significant portion of our product portfolio, as on the nine months ended December 31, 2020. This has been a conscious choice given our understanding of fashion trends, preferences and aspirations of our target customers. Over the years, we have strived to translate this understanding into sourcing capabilities and long-standing vendor relationships that have enabled us to create relevant and differentiated product assortments. Within the apparels vertical, our focus has been on consumers who are within the age group of a newborn, to up to 40 years and primarily residing in Tier-II or Tier-III towns and cities. According to Technopak, India has the youngest population in comparison to other leading economies. The median age in India is estimated to be 28.7 years in 2020 as compared with 38.5 and 38.4 in the United States and China, respectively, and is expected to remain under 30 years until 2030, as per Technopak. We believe the youth and Young Families segments we focus on, are economically productive, with a number of active earning years ahead. Our focused customer segmentation and targeting strategy, supported by sourcing and supply chain management capabilities has allowed us to deliver fashion merchandise inspired by national and global trends, adapted to local taste, preferences and price points. In addition, our ability to identify fashion trends and offer affordable products to our customers has been further supported by our eight private label brands including such as Flick, Twist, Kidistan and Charcoal that provide an extensive assortment along with differentiated products at affordable prices. In the Fiscal ended March 31, 2020, and in the nine months ended December 31, 2020, our private labels accounted for 59.26% and 58.63%, respectively, of our apparel sales.

Beyond the apparels vertical, we offer a limited but relevant assortment of value-priced products within the non-apparel, and FMCG verticals with the non-apparel vertical forming 13.46%, and the FMCG vertical forming 8.07% of our product portfolio, as on December 31, 2020. For example, within the non-apparel vertical, we offer bags, toys, footwear and crockery and utensils, among others, and within the FMCG vertical, we offer staples, groceries, snacks, processed foods, home care, beverages and confectionary, and personal care products, among others. Even though we have a relatively limited assortment and a smaller store network catering to non-apparel, and FMCG verticals, the suppliers and merchandise are rigorously chosen, to ensure our customers get quality they can trust at a price that suits their budget.

Strong and diversified procurement network with an efficient supply chain management

Over the years, we have created a network of over 600 suppliers. Our in-house team leverages its in-depth understanding of global as well as local trends and works with the extensive supplier base to respond quickly to changing consumer preferences. Our focus on utilizing our knowledge of the clusters and regions in which we operate has allowed us to not only customise our product assortment in each store keeping in mind local demands and preferences but also continuously enhance the merchandise we carry. A detailed research is conducted by our procurement team to locate the sources for procurement of quality products at reasonable costs. This is supported by our ability to source products directly from the regional hubs, for instance, we source hosiery-based apparel from Tirupur, cotton apparel from Ahmedabad, and knitting from Ludhiana, to minimise our procurement costs, and maximize quality and value for our customers. FMCG products are procured from widespread distributors of certain key FMCG companies.

We believe we have established strong relationships with our vendors and suppliers to ensure a smooth, effective and uninterrupted supply of products. An efficient supply chain system is essential not only to reduce operational costs but also to strike an optimum balance between the adequate level of inventory available and the availability of products at all stores as per customer requirements. As on the Fiscals ended 2018, 2019 and 2020 and the nine months ended December 31, 2020, we sourced our products within the apparels and non-apparel verticals, from 578, 633, 574 and 362 vendors, spread across the country.

In addition, our systems and processes backed by our end-to-end enterprise resource planning ("**ERP**") software forms a vital element of our business operations. Our ERP software, 'Ginesys', addresses multiple aspects ranging from planning and setting up of new stores to managing day-to-day operations as well as procurement, sales and inventory and formulation of replenishment plans. These systems enable us to identify and quickly react to changes in such customer preferences by adjusting our products available, brands carried, stock levels and pricing in each of our stores and effectively monitor and manage the performance of each of our stores. To further ensure better control over the supply chain management, a unique buy-and-build approach, and the store-to-warehouse inventory management rule engine deploy machine learning algorithms for store-specific replenishment. This approach relies on identifying promising new vendors, and working with them to develop customized solutions or platforms, deployed to extract recurring cost savings. We centrally procure apparel and non-apparel products at our warehouse which are then distributed to all locations through our transport fleet as well as third-party transporters, thereby allowing us in delivering products in a cost and time efficient manner to our stores. We leverage the existence of our store clusters to ensure a seamless distribution of the products from our warehouse to the respective stores.

Our information technology systems are built with a wide range of data management tools specific to our business needs and support key aspects of our business, including procurement, sales and inventory control on a daily basis. Together with our supply chain management systems and our internal controls to minimise product shortage and the occurrence of out-of-stock situations, we are able to operate efficiently and productively with minimal disruptions to our day-to-day operations. Our inventory turnover ratio was 4.24, 4.51, 4.26 and 3.82 in Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2020. In addition, our increasing trust with our vendors has resulted in us being able to rationalise inventories from ₹ 44,147.25 lakh, as on December 31, 2019 to ₹ 29,781.60 lakh, as on December 31, 2020.

Large base of loyal customers

We believe that our continued focus on customer experience, pricing, range of products, and quality of brands have resulted in a consistent growth in our loyal customer base, especially in the states of Uttar Pradesh, Bihar and Jharkhand. Having pioneered the value retail segment along with certain other peers, and being able to provide modern mall-like retailing ambience in these markets, we believe our Company is perceived by our customers as a trusted value retailer that offers reliable quality and updated fashion at an affordable price. This is also evidenced through our increasing repeat sales which contributed 46.00%, 52.00%, 58.00% and 72.79% to our total revenues, during the Fiscals 2018, 2019 and 2020 and nine months ended December 31, 2020. Further, as on March 31, 2020, we had a total of 48.36 lakh repeat customers. We believe that the emotional connect that we have been able to create with our customers through our fashion merchandise, in-store experience and advertisements and promotions, has helped us earn and retain their loyalty.

We have strived to strategically focus on large low-mid income target customer base, by providing them with differentiated product selections. We believe that an optimum portfolio of private and market labels enables us to better cater to the needs of our customers and increase the range and diversity of our products, leading to increased brand loyalty and repeat sales.

In addition, we have various loyalty programs to retain and add more customers to our existing customer base. The loyalty programs have helped us in building relationships by giving the organisation an understanding of the customer profile, important dates such as birthdays, anniversaries, buying habits and preferences. Pursuant to such loyalty programs, we extend benefits like regular customised communications, advance intimation of events and promotions at our stores. Through a customer database management platform linked to our data analytics and promotional engine, we maintain ongoing engagement with our loyal customers by awarding points, customized discounts, exclusive schemes and benefits, extended shopping hours and other promotional offers.

Competitive lease rentals

We believe, identifying and determining the location and optimal size of a store is critical to ensuring visibility among the target customers and sustainability of store operations profitability. Our ability to find suitable locations on high-street areas and shopping hubs at low lease rentals per sq. ft., has resulted in reduced operational costs. We generally enter into long term lease agreements typically for a period ranging from nine – 15 years. We have set internal parameters in relation to property identification including accessibility footfalls, rental costs and proximity to the catchment area which we believe, has led to the establishment of our brand identity as an affordable family fashion shopping destination amongst our customers.

Set forth hereunder are certain details in relation to our rental space, our sales per sq. ft. per month and our rent per sq. ft. per month during the Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020:

Particulars	Fiscal			Nine months ended December 31, 2020
	2018	2019	2020	
Rental space (in lakh sq. ft.)	157.73	190.10	241.26	199.85
Sales per sq. ft. per month (in ₹)	826.97	806.33	758.25	516.76
Rent per sq. ft. per month (in ₹)	32.38	32.78	34.98	23.31

***Note**: Please note that the rent per sq. ft. per month does not account for the impact of Ind AS 116.*

Track record of growth in financial performance

Our total number of bill cuts for Fiscals 2018, 2019 and 2020, and for the nine months ended December 31, 2019 and for the nine months ended December 31, 2020, was 172.27 lakh, 201.72 lakh, 223.56 lakh, 179.16 lakh and 83.70 lakh, respectively. We have been able to increase our total revenues during the last three Fiscals, from ₹ 122,651.30 lakh in Fiscal 2018 to ₹ 166,650.29 lakh in Fiscal 2020. Our total revenues in the nine months ended December 31, 2020 was ₹ 74,028.39 lakh, as compared with our total revenues in the nine months ended December 31, 2019, which was ₹ 133,305.49 lakh. Our revenue from operations in Fiscals ended 2018 and 2019, was ₹ 122,237.19 lakh and ₹ 143,374.48 lakh, respectively, where as our revenue from contracts with customers in Fiscal 2020, in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, was ₹ 166,202.33 lakh, ₹ 132,936.08 lakh and ₹ 72,358.76 lakh, respectively. In the Fiscals ended 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, we reported EBITDA of ₹ 13,278.57 lakh, ₹ 13,292.58 lakh, ₹ 21,375.73 lakh, ₹ 18,591.41 lakh and ₹ 9,765.45 lakh, respectively. In the Fiscals ended 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, our EBITDA margin was 10.86%, 9.27%, 12.86%, 13.99% and 13.50%, respectively. In the Fiscals ended 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, our ROCE was for 36.01%, 28.66%, 18.79%, 17.67%, and 3.98%, respectively. In the Fiscals ended 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, our ROE was 25.17%, 16.29%, 11.37%, 13.19%, and (1.04)%, respectively.

In addition, our average transaction size during the Fiscals 2018, 2019 and 2020, and in the nine months ended December 31, 2019 and in the nine months ended December 31, 2020, was ₹ 750.82, ₹ 754.13, ₹ 788.87, ₹ 787.39 and ₹ 917.92, respectively. Further, the footfall at our stores as on the March 31, 2018, 2019 and 2020 and as on

December 31, 2019 and December 31, 2020, was 304.19 lakh, 349.59 lakh, 392.82 lakh, 311.16 lakh and 132.77 lakh, respectively. In addition, during Fiscal 2020 and the nine months ended December 31, 2020, the revenue generated from our apparels vertical contributed to 78.62% and 78.27% of our revenue from contracts with customers whereas the revenue generated from our non-apparel vertical contributed to 13.38% and 13.46% and the revenue generated from our FMCG vertical contributed to 7.89% and 8.07%, of our revenue from contracts with customers, respectively.

We believe that our financial position as mentioned above, illustrates not only the growth of our operations over the years, but also the effectiveness of the administrative and cost management protocols that we have implemented. Among other things, our strong financial position and results of operations have enabled us to penetrate further into primarily the Tier-II and Tier-III towns and cities by further investing in new stores.

Experienced and qualified management team

We have developed a decentralized organizational structure, segregating our retail operations into four zones, each led by a zonal business head who is empowered to take the day-to-day decisions. While our Corporate Office is responsible for undertaking strategic decisions, such a segregation ensures we have an agile, scalable and customer-centric retail organization structure.

Our management team is well-qualified and experienced in the retail industry and has played a key role in the sustained growth of our operations. Our Company is primarily led by one of our Promoters and our Chairman and Managing Director, Lalit Agarwal who has over 15 years of work experience and has successfully managed the various phases of expansion, growth and consolidation of our business and operations. We also have an experienced and professional Board and qualified management team. Our senior management team has been responsible for implementing our business strategies and identifying new opportunities.

Our business growth is also attributable to a strong management culture fostered by an entrepreneurial spirit, each business vertical being managed by experienced and hands-on segment heads having in-depth sector knowledge of the verticals that we cater to. Our mid-level management is supported by our trained personnel who benefit from our regular in-house training initiatives. Special emphasis is laid on such training and guidance so as to enable such workers to perform with utmost efficiency and with minimum failures. We take pride in our employee culture and consistently endeavour to emphasize teamwork and collaboration across functions to ensure that our employees are able to suggest and implement ideas regardless of their role. We have strived to motivate our senior and mid-level management team by providing them employee stock options, pursuant to ESOP schemes, thereby enabling a strong alignment of their interests with our performance.

Our Business Strategies

Concentric expansion, focusing on deeper penetration in core geographies

Our Company currently operates stores in 19 states and according to Technopak Report, these states constitute over 40.00% of India's total retail spending in Fiscal 2020. In addition, our Company's presence in the states with high expected retail spending growth over the next five years, as per Technopak, offers us a growth opportunity in the untapped markets and we intend to focus our expansion efforts in such markets. Our aim is to follow a peripheral and concentric expansion approach pursuant to which, we will look to target contiguous states, to avail new opportunities. In addition, we will also look to expand our presence in the markets where we can leverage our existing presence to enhance our market share. For instance, we may foray into Telangana and Andhra Pradesh or penetrate further in Odisha, to tap into and nurture new opportunity clusters.

We have, in the past, expanded our stores through a cluster-based expansion model and intend to continue to do so in the future. In the states of Uttar Pradesh and Bihar where we have a significant presence, we believe that there is a potential for expansion not only at the district-level, but also at cluster-level, since clusters exist at or within blocks or sub-units of a given district. The significant growth in the number of our stores is evident in that we had opened 63 stores across 10 states as on March 31, 2013, which had increased to 123 stores across 14 states as on March 31, 2016. As on December 31, 2020, our Company had opened a total of 274 stores across 19 states in India. In Fiscal 2020 and in the nine months ended December 31, 2020, we added 52 and 8 new stores net of closure, respectively, in 24 new cities and 19 cities where we have existing stores.

The key factor affecting the expansion of our stores is the selection of suitable locations. We undertake detailed market research and analysis to identify potential locations for our upcoming stores. We will continue to adopt a methodical approach in evaluating and selecting suitable locations for the establishment of new stores, such as local population density, rental lease rates, market potential, accessibility and proximity to our competitors. In order to optimise our profitability, maintain our operational flexibility and ensure that our stores continue to be located in clusters, we intend to continue to lease our premises according to availability, cost and other considerations. We also intend to increasingly utilize modern trade channels such as online platforms to increase our sales in the markets where we are already present. Enhancing our reach to cover additional towns and cities in parallel, will allow us to reach out to a larger population and become a preferred fashion shopping destination.

Increase focus on women's wear

In addition to strengthening and expanding our reach, we intend to increase our focus on women value fashion category within which ethnic wear has the dominant share. According to Technopak Report, broadly, the fashion apparel market caters to three distinct demographic segments - men's, women's and kid's segments. While our apparels vertical does constitute women wear, majority of our sales in the past have been through sale of apparels for men and kids. We intend to grow our sales of products under the apparels vertical focused towards women in the next few years by increasing the number of affordable and quality options in our stores, and by sourcing and making available product assortments for various demographic segments - young and college-going youth, young married women, working women, mothers with young children.

According to Technopak Report, in Fiscal 2020, women's apparel segment in India accounted for an annual market size of USD 22 billion, of which, 71% was accounted for by ethnic wear whereas 29% was accounted for by western wear. While in terms of the size of opportunity pie, women's segment is comparable to that of men's segment, at a five-year CAGR of 5.30%, the women's segment is projected to grow faster than the men's, which is expected to grow at 5.00%, as per Technopak. According to Technopak, the women's wear market is projected to grow due to an increase in the number of working women, a shift towards aspiration rather than need based buying and design innovation. Given that a majority of family shoppers at our stores are women who we believe, are shopping for the entire family or for their kids, we anticipate there being a vast untapped potential for our Company to increase its share of wallet in women's wear, especially since a majority of our target consumer is a 'repeat customer'.

We believe our market position, experience in understanding preferences, sensibilities and budget requirements of Indian women consumers will enable us to develop and offer quality garments, while ensuring that our offerings remain distinctive and well-differentiated.

Grow and develop our private labels portfolio

Our private labels, Flick, Twist, Kidistan and Charcoal, provide an extensive assortment along with latest and differentiated fashion at affordable prices. Our experience in identifying international and national fashion trends and offering it to our consumers through these labels at low prices has resulted in our private label portfolio accounting for a majority of our revenue from apparels in Fiscal 2020. While we focus on developing these existing private labels, we will also look to grow and develop other private labels in the future.

Our Company intends to take several initiatives towards enhancing its value proposition by focusing on widening its product portfolio under its private labels, by leveraging a knowledgeable customer service team, and by enhancing its visual merchandising and display, and instore experience. Given that within our private labels, the revenue derived under our Flick brand has been leading in the last three Fiscals, we intend to further develop Flick into a leading casual menswear brand offering trendy apparels, targeted at persons between the age of 18 and 24 years. In addition, we are further enhancing our fashion trend monitoring capabilities to better understand our existing customers, and also to focus on our target customers, with an aim to develop our private label portfolio into market-leading brands in their respective categories.

Continued refinement of our store model

In the process of opening new stores, we take various factors into account, including population density, customer traffic, customer accessibility, potential growth of local population, development potential and future development trends, estimated spending power of the population and local economy, profitability and payback period, estimated on the basis of the expected sales potential, strategic benefits, proximity and performance of competitors in the surrounding area and site characteristics and suitability with the specifications of our building plans. Given these considerations, we intend to further refine our store model by developing the following two formats:

- *Fashion Dial-Up:* Fashion Dial-Up ("**FDU**") refers to a store format focused on less than 30 year old consumers, and trendy fashion-focused store ambience and merchandize; and

- *Value Dial-Up:* Value Dial-Up ("**VDU**") refers to a store format that is focused on semi-urban and rural customer, typically residing in or frequently visiting Tier-IV towns and offers basic and core fashion merchandize.

These two new formats, we anticipate, shall enable us to reach out to a larger base of potential customers, including in the newer markets.

Relevant and differentiated brand and value proposition

Our Company intends to take several initiatives towards enhancing its value proposition by focusing on widening its product portfolio, creating a more digital-ready and knowledgeable customer service team, and enhancing visual merchandising and display. We are also evaluating the usage of machine learning and artificial intelligence and how such automation would help reduce our per store costs. Further, with the growing penetration of e-commerce in smaller towns especially in the Tier-III and Tier-IV towns, we believe that there is an opportunity to leverage our brand equity and trust that we enjoy with our customers, and through our omnichannel platform, provide a digitally integrated, seamless shopping experience. Our shopping portal, www.vmartretail.com, and our shopping mobile application that can be downloaded from both AppStore and iOS, serve as our omnichannel options currently. When a customer places an order online through our app or website, it is routed to the nearest V-Mart store for fulfilment. In addition, an adoption of data analytics and digital technologies in both, customer-facing and back-end processes would, we believe, enhance process efficiency and customer experience. According to Technopak Report, COVID-19 has given an impetus to the growth of e-commerce which is expected to become a significant growth driver for the organised market.

We expect that through such processes, we would be able to attract more customers as we would be in a position to make personalized fashion recommendations, maintain a targeted and relevant assortment at store level, and have a more agile supply chain.

Technology and digital led continual improvement in operating efficiency

Our business model requires us to maintain high levels of operational efficiency on a consistent basis. Further, we believe that supply chain management is critical to our business. Our supply chain management is critical in reducing operational costs and helping maintain an optimum balance between the level of inventory available and the availability of products at all stores as per customer requirements. This involves planning, sourcing, vendor management, logistics, quality control, pilferage control, replacement and replenishment. We plan to further improve our operating efficiency and ensure efficient supply chain management, including by (i) investing further in our IT systems to improve productivity and time savings thereby increasing our operating efficiency; and (ii) expanding and upgrading our warehouse to improve the efficiency of our inventory and supply management; and (iii) continuing to absorb best industry practices. We believe that by improving our supply chain management will help us optimise in-store availability of products, and consequently meet customer demands effectively.

In the changing business landscape, we are actively responding to the importance of being a digital business. To ensure that investments in analytics and technology improve our current business model, our digital strategy is geared to deliver on two fronts - expectations of our customers as well as our internal functions. To provide a seamless shopping experience to our customers as they become more digital in their lifestyle, we launched our omnichannel platform in September 2019. We are currently leveraging and shall continue to leverage, digital marketing channels and analytics to drive our business operations.

Recent Developments

Since the end of 2019, COVID-19 pandemic spread to a majority of countries across the world, including India. While this pandemic has affected and is expected to continue to affect our business and operational performance in the near future, the recently commenced vaccination drive in the country is a positive development.

The outbreak of COVID-19 was recognized as a public health emergency of international concern on January 30, 2020 and as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, had / have taken preventive or protective actions, such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. The Government of India had announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, selective or partial lockdowns at a local level may be re-introduced, depending on the health risk posed by the pandemic. The vaccination drive is a significant step towards moving beyond the pandemic, however, the possibility of multiple waves of the pandemic and therefore lockdown-like measures remains, as is evident in many countries having to reinstate lockdowns due to a 'second wave' of the COVID-19 outbreak and the discovery of a new strain of the coronavirus in the United Kingdom.

We are regularly monitoring the impact of COVID-19 on all aspects of our business and operations and the preventive or protective actions of the central, state and local Governments on the relevant aspects of our business and operations. Our revenue from contracts with customers was impacted as there were no social occasions or functions, which were the main reasons resulting in consumers buying new apparels, owing to the lockdown. In addition, our principal channels of sale were not allowed to function as part of the lockdown imposed by the Government of India and relevant state governments, inflicting adverse impact on revenue and profitability. While operations at all of our stores were initially suspended during the lockdown due to the Government orders, we have been able to resume operations at all our stores in compliance with the mandated social distancing and hygiene guidelines.

Our revenue from contracts with customers was ₹ 72,358.76 lakh during the nine months ended December 31, 2020, which was 45.57% lower when compared with the revenue from contracts with customers for the nine months ended December 31, 2019, which was ₹ 132,936.08 lakh.

In the preparation of our Unaudited Condensed Interim Financial Statements and our Audited Financial Statements, we have assessed the impact and future uncertainties resulting from the COVID-19. The ultimate impact of the COVID-19 pandemic on the business and operations may, however, differ from that assessed by us due to the evolving nature of the pandemic and its response by various Government authorities. To the extent, the COVID-19 pandemic adversely affects us, it may also significantly increase the effect of other factors affecting our results of operations. Please refer to "*Risk Factors – The outbreak of the COVID-19 has had, and is expected to continue to have, a significant effect on our operations, and could negatively impact our business, revenues, financial condition and results of operations. The current, and uncertain future, impact of the COVID-19 pandemic, including its effect on the ability or desire of people to visit our stores, is expected to continue to impact our operations and cash flows.*" on page 45.

Description of our Business

Our Business Operations

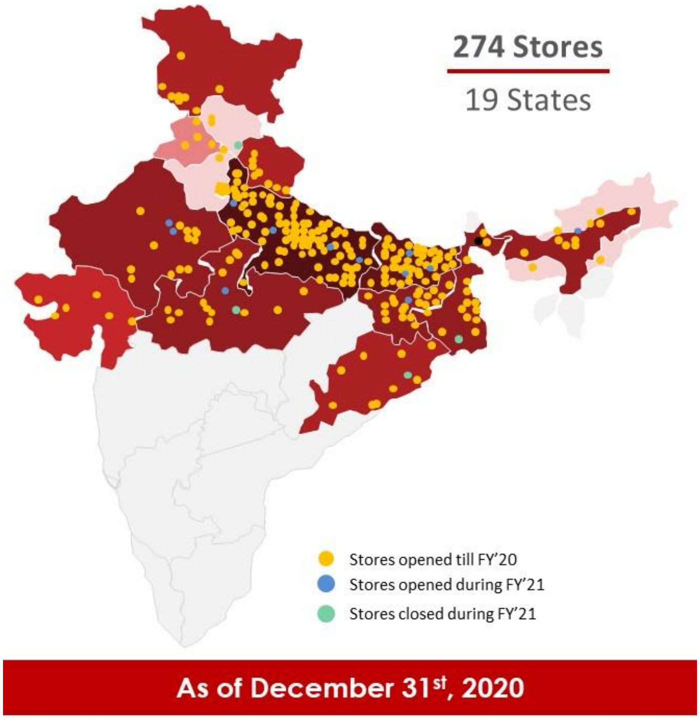
We are one of the pioneers in value retail segment, as per Technopak, and we primarily operate in Tier-II and Tier-III towns and cities, focused on the northern and eastern parts of the country. We sell quality and affordable products under the apparels, non-apparel and FMCG verticals, through a chain of 'value retail' stores. As on December 31, 2020, our Company had a total of 274 stores spread across 188 cities in 19 states, catering to the needs and requirements of the value and fashion-conscious consumers residing in these towns and cities.

Our Business Verticals

We operate under three business verticals namely, apparels, non-apparel and FMCG verticals. Within the apparels vertical, we offer garments for men, women, boys, girls and infants. The products offered under our non-apparel vertical are bags, toys, footwear and crockery and utensils, among others, and within the FMCG vertical, we primarily offer packed food and non-food products. In Fiscal 2020, the average selling price of our products within the apparels vertical, non-apparel vertical and the FMCG vertical was ₹ 334.43, ₹ 126.54 and ₹ 68.00, respectively.

Our Presence

The map below illustrates the geographic spread of our retail network across states in India, as of December 31, 2020:



** Map not to scale*

We opened our first store in October 2003 by the name of "V-Mart" at Ahmedabad, Gujarat. We had opened 63 stores across 10 states as on March 31, 2013, which had increased to 123 stores across 14 states as on March 31, 2016. As on March 31, 2018, March 31, 2019 and March 31, 2020, and December 31, 2020, our Company had opened a total of 171 stores, 214 stores, 266 stores and 274 stores which evidenced a CAGR of 18.70% in terms of the increase in the number of stores from March 31, 2018 until December 31, 2020.

Set forth hereunder is a table highlighting the states where our stores are present, and the number of stores operating in each of the states, as on the Fiscals ended 2018, 2019, 2020 and as on December 31, 2020:

S. No.	State	Fiscal 2018	Fiscal 2019	Fiscal 2020	As on December 31, 2020
1.	Uttar Pradesh	72	85	103	107
2.	Bihar	36	42	45	49
3.	Jharkhand	14	17	19	20
4.	Rajasthan	4	5	13	15
5.	Madhya Pradesh	6	8	15	15
6.	West Bengal	6	12	16	14
7.	Assam	0	6	9	10
8.	Orissa	10	10	9	8
9.	Jammu and Kashmir	3	5	8	8
10.	Uttarakhand	6	8	8	8
11.	Gujarat	6	6	6	6
12.	Punjab	3	3	4	4
13.	New Delhi	3	2	3	3
14.	Himachal Pradesh	0	2	3	2
15.	Chandigarh	1	1	1	1
16.	Arunachal Pradesh	0	0	1	1
17.	Meghalaya	0	1	1	1
18.	Haryana	1	1	1	1
19.	Nagaland	0	0	1	1
Total		**171**	**214**	**266**	**274**

We believe that the selection of suitable locations for opening of our stores has been critical to our expansion plans. We aim to be an early mover in our target markets to take advantage of the opportunities offered by these under-served regions and actively search for suitable locations. We follow a cluster-based expansion model and target densely populated neighbourhoods and residential areas with a majority of lower-middle, middle and aspiring upper-middle class consumers.

Our stores are supported by an appropriate combination of supplies from our warehouse or through direct procurement from our suppliers to reduce out-of-stock products and transportation costs and increase the selection of merchandise available to our customers. We source most of our merchandise directly from manufacturers and suppliers in order to obtain the most competitive prices.

Business Process

The following is a brief description of our various business processes:

New Store Planning

When a suitable property in a location we are interested in becomes available on commercially attractive terms, we further undertake a detailed analysis in relation to opening a new store at such location. A detailed assessment is conducted, of several internal and external factors that may have an effect specifically on our Company.

In the process of opening new stores, we take various factors into account, including population density, customer traffic, customer accessibility, potential growth of local population, development potential and future development trends, estimated spending power of the population and local economy, profitability and payback period, estimated on the basis of the expected sales potential, strategic benefits, proximity and performance of competitors in the surrounding area and site characteristics and suitability with the specifications of our building plans.

We have in-house business development teams, focusing on acquiring properties for our new stores in accordance with our locational needs at reasonable prices. For timely launch of stores and commencement of operations, we have an experienced projects team that typically targets a turnaround time of approximately 45 days, from getting possession of site to launch of new store.

Merchandising

Our sales plan is prepared based on growth estimates and sales projections based on previous trends. The merchandise mix is then planned taking into account previous sales trends and future product trends at a store level. Our merchandising team then prepares a merchandising procurement plan, taking into account existing inventory, in terms of both quantity and quality, and forecasted demand. Our procurement plan contains all the necessary details regarding the assortment, options of the products to be procured and the supply schedule.

Once we have finalised our procurement plan, we identify various vendors across the manufacturing hubs for quality products at competitive prices in line with the fashion trends. Based on the shortlisted samples, we place purchase orders with them in accordance with our procurement plans. Details of our supply schedule are shared with our vendors to determine the quantity and intervals in which the vendor is required to make the supply of the desired goods. Our procurement requirements for our apparels and general merchandise products are met by sourcing our products from third party suppliers and also engaging third party manufacturers to manufacture the products sold under our private labels. For identifying the vendors, we take into account several factors such as experience, capacity, past performance, quality of products offered and credibility.

Quality is an important parameter for us and to ensure that this is adhered to, we do quality assurance ("**QA**") at source. Only after the QA check is done by our team at the source, are the goods approved to be dispatched to our central warehouse. In addition to this, we undertake quality checks at warehouse by way of random sampling at the time of receipt of the products. In case the products do not confirm to the quality standards that have been set, the requisite remedial action is carried out.

Further, we procure the FMCG products from a mix of national brands and regional brands. For procurement from the large manufacturers or their distributors, we endeavour to enter into formal arrangements for supply of products to our warehouse which we then deliver to our stores.

Since most of the arrangements with the large manufacturers or their distributors are for supplies across the country, they facilitate us to leverage on their distribution network which helps us to keep an optimum level of inventories. The localised procurement of FMCG products enables us to (i) reduce our distribution centre costs; (ii) reduces the risk of damage during transportation; and (iii) ensure quick delivery of products at our stores. Such arrangements also help us in standardising the promotional schemes in relation to select products across our stores.

Supply Chain Management

The inventory at our stores are available real-time through our ERP system based on which the dispatches are planned. We use an in-house built technology to decide on the allocation of goods, based on average daily sales, projected sales, festivals and seasons, lead-time for replenishment and buffer stock to be kept at the stores. The orders are passed to the warehouse management system ("**WMS**") through which the goods are picked, packed and dispatched to the stores. The inventory is managed at stock keeping unit ("**SKU**") level in warehouse through our WMS. Our merchandising and planning team regularly co-ordinates with and receives updates from our stores to identify the slow moving products and explore the options to expeditiously dispose them off. We also have an ad-hoc replenishment system which helps us in prevention of shortfall of certain products which we believe will generate substantial demand due to the change in trends.

We have our own fleet of 21 trucks, which are utilised by us to transport the products to our stores from our warehouse. In addition to our own transport fleet, we also engage third party logistic solution providers, who specialise in providing transportation services on certain specific routes, in order to deliver products on time to our stores and optimise the transportation costs of our products. We believe that using a combination of in-house and third-party transport services helps us to transport and deliver our products in a cost and time efficient manner.

We endeavour to ensure that product requirements and order fulfilment at each store is done in a timely and efficient manner. Our inventory management processes are supported by our warehouse, situated near Gurugram, Haryana, occupied by us on a leasehold basis, as of December 31, 2020.

Store Operations

We have established multiple security checks to control pilferage at our stores. Our employees screen the goods being carried out of the store by customers. Professional security guards oversee the screening process. In addition, we use CCTV monitoring at all our stores.

As a value-retail chain, we emphasise the reduction of cost at various stages and levels. We aim to reduce our operating and administrative costs by way of optimum utilisation of our human and other resources. We determine our staffing requirements on the basis of several factors including store area and footfall intensity.

We have established strict quality control procedures at all of our stores and warehouse. We ensure that quality processes are utilized in various facets of the supply chain, such as garment inspections on the basis of internationally accepted norms as well as internal quality standards, together with quality audits, vendor quality improvement programs, conformity with regulatory processes, implementing training programs and product quality tracking. We also place emphasis on ensuring that our FMCG products meet high quality and safety standards. Our employees receiving team at each store perform a series of daily checks of FMCG products upon delivery. These include checks on appearance, smell, packing, production date, expiry date, net weight and brand logo. For fresh products and dairy products, approval documents and certificates have to be made available to us for verification before we can officially receive the products. Our store managers at each store conduct periodic checks based on such guidelines to ensure high quality standards are maintained. Our commitment to maintaining high quality and safety standards also includes internal regular and random quality checks on our food merchandise based on international standards.

We have an internal control system tailored for managing our multiple product categories to optimize the use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports, and ensure compliance with applicable laws, regulations and company policies. We also have an in-house audit team to conduct internal audits within the group for inventory management, fixed assets, human resources, payroll and statutory compliances. As on December 31, 2020, we had a dedicated quality assurance team comprising 14 personnel, which ensure compliance with internal quality standards.

Support to Stores

Cash represents a significant proportion of our sales proceeds. Payments by our customers at our stores are handled by our cashiers at our check-out counters. We reconcile our cash proceeds received from our sales against receipts recorded in our point-of-sale systems in all of our stores on a daily basis. Cash is collected from most stores by the banks' representatives on a regular basis. In other stores, cash is transferred to banks by our employees.

As we handle a significant amount of cash every day, we have implemented necessary procedures for the safety of cash in our stores. Our daily cash proceeds are only handled by our cashiers, and surveillance cameras are set up in all of our stores to monitor the cashiers' counters. We also conduct daily checks on our cash proceeds against the records of deposit of cash from the bank and sales reports to ensure that sales are properly recorded by the point-of-sale systems. We believe that there have not been any material internal control deficiencies in our cash management system. We also maintain insurance over our property and stores for standard perils including fire and burglary.

We use an integrated and robust information technology system that covers major aspects of our business, including procurement, sales and inventory management, in-store systems, financial management and other administrative systems. Our information technology systems provide accurate information across our stores, warehouse and corporate offices on a real-time basis.

Our advanced information technology systems used for procurement, sales and inventory management enable us to identify and quickly react to changes in customer preferences by adjusting our product assortment, stock levels and pricing in each of our stores, and effectively monitor and manage the performance of each of our stores.

Store Selection Process

City / Town Survey

In identifying the location for a new store, we start by identifying the city/town, which is preferably within 100 – 150 kilometers from an existing store cluster. We initiate the identification process by conducting a market survey to assess the competition level and an analysis of the demographic data on parameters such as age group, literacy levels, nature of occupation and income levels to determine the demand for products. Adopting the cluster-based expansion model helps us to ensure that proper logistics support is available to our new stores, while facilitating us in inter- store sharing of resources, thereby reducing our operational costs.

Identification of location and site

We primarily focus on meeting the aspirations of the consuming class, with an added emphasis on demands of the youth and Young Families. According to Technopak, the market for value apparel retail comprises of households with an average annual income of US$ 5,000 – US$ 10,000, of fashion conscious, value and quality seeking youth and Young Families, which forms the bulk of purchasing power of the Indian population.

Accordingly, we plan our strategy to search for and identify locations in highly populated district preferably district headquarters where such customers are domiciled in large numbers and make efforts to establish our stores at high-street areas and main shopping hubs of cities and towns thereby targeting the populace of the entire district. We also take into account factors such as proximity to markets, shopping areas, schools and colleges to increase our visibility amongst our customers. We target locations with good infrastructural facilities such as easy accessibility, water, electricity and internet availability and other basic amenities. We aim to locate our stores in such areas where store area is available at reasonable prices.

Property Features

While selecting a property to establish our store, we take into account several factors such as lease tenure, rental costs and escalation therein, advance amount to be paid and refurbishment costs. We aim to minimise our operational costs per Sq. Ft. and strive to obtain such properties at reasonable costs. While determining the suitability of a premise for the establishment of a store, we also consider factors such as ceiling height of the property, power load availability and property elevation.

Our Suppliers

We have a strong supplier network enabling flexibility and procurement at competitive prices. We have tried to source products primarily locally within India and we endeavour to source these products from the regions where such products are widely available or manufactured, to minimise our procurement costs. We have a standardised procurement system that enables us to source quality products through the best possible channels available to us.

Our procurement team conducts detailed research on an ongoing basis to locate the best product sources available, in relation to both quality and price. Our sustained efforts to improve our strong supplier network have led to a significant advantage in procurement leading to an efficient supply and sale cycle.

Pilferage Mitigation Measures

We follow a two-tier security system, one consisting of electronic surveillance and another manual checks, to control and mitigate losses on account of pilferage at our stores. The electronic surveillance at our stores is conducted by employing a closed-circuit television monitoring system as well as a sensormatic machine. Our stores are equipped with a sensormatic machine and closed-circuit television cameras. Manual checks are conducted by our employees by screening the goods being carried out of our stores by our customers or our employees. We also station trained security guards at our stores to oversee the screening process. In addition, there is a zero-tolerance policy in place to tackle theft by our employees.

Our warehouse also follows a two-tier security system similar to our stores. All our employees are manually checked by security guards upon exit in order to control pilferage. In addition, our warehouse is also monitored by using closed circuit television systems.

We also undertake internal and external stock audits including standard operating procedures audit at regular intervals at all our stores. Stock audits are also undertaken at our warehouse regularly.

As on the Fiscals ended 2018, 2019 and 2020, and as on the nine months ended December 31, 2020, our shrinkage was 1.30%, 0.90%, 1.60% and 2.32%, respectively. Shrinkage includes pilferage both internal and external including such as shoplifting, damage / expiry, stock write-off and also includes provision created on inventory including aged inventory.

Marketing, Advertisement and Sales Promotion

As a part of our marketing strategy, we plan a calendar for the year's marketing activities, encompassing mega sales, schemes, discounts and events, annual days, festivals and new collections, including summer collections and winter collections. Our mode and media of advertisement is determined on the basis of the most widely accepted and used source of mass media by our target customers. We engage in extensive 'below the line' and 'above the line' marketing activities including digital marketing activities to attract the attention of our target customers. Our existing penetration in certain major markets and state pockets allows us to leverage costs while also enabling us to effectively cater to the requirements of our customers.

Our advertising strategy aims at promoting brand awareness and enhancing our customers' trust in us. We are continually progressing towards driving repeat walk-ins utilizing customer lifecycle management, thereby increasing brand connect and loyalty. We leverage customer database to do multi-dimensional segmentation which hinges on variables such as customer demographics, recency, frequency, monetary value, latency and product purchase behaviour. We also collect and mine customer shopping histories inside our customer data platform. We segment our customers based on their propensities to buy across products, price points, discounts, events etc. and send them personalized communication over multiple channels. The success of targeted promotional communications is evaluated across regions, products and segments and learnings are used to improve campaign planning and execution in the future.

We believe that visual merchandizing is an aesthetic tool to motivate customer choice and accordingly, our deal zones and mannequins are aesthetically placed. Our effort is to deliver an in-store visual and sensory customer experience that is unique, specifically during season changeover, festivities, and mega sales events. The concept of visual merchandising is also aligned with our value of prudence, wherein we strive to deliver products at low cost.

Information Technology

We deploy modern organization-wide technology, both at the back-end and the front-end of our core business processes, and continue to make investments in enhancing such technology. All our stores and our warehouse are connected to our Corporate Office by a network of servers, which helps us in efficiently managing our stores. We use ERP software called 'Ginesys', an integrated software application, which provides us with seamless flow of information from the point of procurement, multi-store distribution and sale. It also assists us in mapping inventory levels at regular intervals, tracking and measuring sales, generating merchandise and replenishment plans as well as in financial and accounting activities. Our ERP software is also used for bar coding of our products, store management, tracking and measuring customer loyalty, sales and distribution and production control. It further enables us to efficiently manage and store data and information that we utilise for business analysis and forecast, to generate detailed daily status reports of our stores.

Certain of our other technology and digital infrastructure include software for warehouse management system and automation, VPN and firewall for data centre security and fast network, virtual machine software for data center virtualization, software for human resource planning and management, platforms for firm-wide data analytics and insights dashboard, and solutions for internal digital communication and collaboration. In addition, we have also invested in implementing data management systems, secure information technology infrastructure, an integrated data analytics platform, and an omnichannel platform across our stores and warehouse.

We intend to continue to focus on and make investments in our information technology systems and processes, including our backup systems, to improve our operational efficiency, customer service and decision making process and to reduce manual intervention and the risk of system failures and the negative impacts these failures may have on our business thereby improving reliability and efficiency of our business and operations.

Intellectual Property

Our Company has registered several of its trademarks, which include our logo, the phrase 'Price Less Fashion' and the word 'VMartonline', among others, under multiple classes, including under classes 25, 35 and 18.

Health, Safety and Environment

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environment, energy, occupational health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working under our management. We have implemented work safety measures to ensure a safe working environment, such measures include general guidelines for health and safety at our offices and warehouses, accident reporting, wearing safety equipment and maintaining clean and orderly work locations.

Human Resource

As on December 31, 2020, we had 6,506 permanent employees. Majority of our workforce is engaged in the retail front-end operations while the back-end team is engaged in purchase, supply chain management, marketing, accounts and finance, warehouse and information technology functions, among others.

None of our employees are in a union and we have not had any material disputes with our employees in the past. As such, we consider our relations with our employees to be amicable. Our personnel policies are aimed towards recruiting the talent that we need, facilitating the integration of our employees into the Company and encouraging the development of skills in order to support our performance and the growth of our operations.

We believe in internal progression and this emanates from the notion of making employees grow along with the organization. We have tried to be objective in recruiting personnel in our teams, focusing on competence and culture alignment. Our regular communication with our employees through various interventions, we believe, has given us results in sustaining our talent. As a testament of our preferred employer positioning in the retail sector, we have been awarded the '*Great Place to Work*' certification.

Insurance

Our operations are subject to hazards inherent in storing and transporting our products such as work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions, including hazards that may cause loss of life and severe damage to and the destruction of property and inventory. Our principal types of insurance coverage include burglary insurance policy, merchant's cover policy, standard fire and special perils insurance policy, consequential loss (fire) insurance policy, directors and officers liability insurance policy and marine open inland declaration policy.

These insurance policies are generally valid for a year and are renewed annually. We believe that the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India. See "*Risk factors – Our insurance coverage may not be adequate to protect us against all potential losses, which may have an adverse effect on our business,* *financial condition, cash flows and results of operations.*” on page 59.

Corporate Social Responsibility

As a part of our corporate social responsibility (“**CSR**”), we have already setup a CSR Committee comprising of our Directors, Lalit Agarwal, Madan Gopal Agarwal, Sonal Mattoo, Aakash Moondhra and Govind Shridhar Shrikhande, as its members.

In our efforts towards corporate social responsibility, we focus on activities relating to environment protection, including plantation, green belt development, sustainable agriculture practices and water conservation and groundwater management that contribute to enhancing the quality-of-life indicators, livelihood, and social infrastructure of local communities where we conduct our business, by way of retail, warehouse, or procurement activity. A key area of focus for our CSR activities is support towards education through scholarship and creation and maintenance of education infrastructure. We also focus on supporting education across primary, secondary and tertiary levels for meritorious students belonging to the economically weaker sections, in Tier-II, Tier-III and Tier-IV towns and nearby rural areas. In addition, we also make periodic contributions towards disaster relief and rehabilitation, and most recently made a contribution towards COVID-19 relief efforts.

Competition

The Indian retail market has become increasingly competitive in recent years. We believe the principal bases of competition in India in organised retailing are pricing, range of brands and merchandise and convenience of locations.

According to Technopak, in early 2000s, retailers like Pantaloons, V2 Retail and our Company pioneered the value retail segment which was largely unorganized until then, and this trend was followed by the large corporates like Reliance and Future Group, among others, who established value apparel retail chains to leverage this opportunity. At present, some of the organized retailers such as Reliance Trends, Pantaloons, and our Company are national players with an equitable focus on all regions. (*Source: Technopak Report*) In addition to these companies, our key direct competitors include unorganised retailers such as local departmental stores, kirana shops and others, given that we also operate in Tier-II, Tier-III and Tier-IV towns and cities. Each of the aforementioned organised retailers has an established presence in the markets we operate and in some cases across India and each is continuing to open additional stores in the same cities where we have opened or intend to open our stores. In our endeavour to stay ahead of our competition, we focus on offering our customers a vast variety of products catering to their diverse requirements and needs, at competitive prices.

Property

Our Registered Office is located in 610-611, Guru Ram Dass Nagar, Main Market, Opposite SBI Bank, Laxmi Nagar, New Delhi 110 092, India. Additionally, we conduct our business from our 274 stores in respect of which we have entered into lease agreements with the owners, as on December 31, 2020.

ORGANISATIONAL STRUCTURE

Corporate History

Our Company was incorporated as '*Varin Commercial Private Limited*' on July 24, 2002, as a company with limited liability under the Companies Act, 1956, with the Registrar of Companies, West Bengal. Our name was subsequently changed to '*V-Mart Retail Private Limited*' and a fresh certificate of incorporation consequent upon such change of name dated July 11, 2006 was issued to our Company by the Registrar of Companies, West Bengal. Our Company was converted to a public limited company pursuant to a special resolution passed by our Shareholders on May 16, 2008 and a fresh certificate of incorporation dated July 11, 2008 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana (the "**RoC**"). Consequently, the name of our Company was changed to '*V-Mart Retail Limited*'. For further details, please see the section entitled "*General Information*" on page 252.

The registered office of our Company is located at 610-611, Guru Ram Dass Nagar, Main Market, opposite SBI Bank, Laxmi Nagar, New Delhi 110 092, India. The corporate office of our Company is located at Plot No. 862, Udyog Vihar, Industrial Area, Phase V, Gurgaon 122 016, Haryana, India.

Organizational Structure

Our Company does not have any subsidiaries or associate companies as on the date of this Placement Document.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

In accordance with the Articles of Association, our Company is required to have not less than three and not more than 12 Directors, provided that our Company may appoint more than 12 Directors after passing a special resolution in a general meeting of Shareholders. As on the date of this Placement Document, our Board comprises of six Directors which includes two Executive Directors and four Independent Directors.

The following table sets forth details regarding our Board of Directors:

Sr. No.	Name, Age, Address, Occupation, DIN and Nationality	Designation and Term
1.	**Lalit Agarwal** **Age:** 49 **Address:** B-81, Belvedere Park, DLF City Phase-3, Cyber City, Gurgaon 122 002, Haryana, India **Occupation:** Business **DIN:** 00900900 **Nationality:** Indian	**Designation**: Chairman and Managing Director **Current term:** Five years, with effect from May 31, 2017 to May 30, 2022
2.	**Madan Gopal Agarwal** **Age:** 77 **Address:** B-81, Belvedere Park, DLF City Phase-3, Cyber City, Gurgaon 122 002, Haryana, India **Occupation:** Business **DIN:** 02249947 **Nationality:** Indian	**Designation**: Whole-time Director **Current term:** Five years, with effect from May 31, 2017 to May 30, 2022
3.	**Aakash Moondhra** **Age:** 47 **Address:** Villa F38 1, PO Box 12345, Dubai, United Arab Emirates **Occupation:** Service **DIN:** 02654599 **Nationality:** Indian	**Designation**: Independent Director **Current term:** Five years, with effect from September 22, 2019 to September 22, 2024
4.	**Govind Shridhar Shrikhande** **Age:** 60 **Address:** 1801, Brooke Ville, Moghul Lane, Opposite Bafna Society, Matunga West, Mumbai 400 016, Maharashtra, India **Occupation:** Consultancy **DIN:** 00029419 **Nationality:** Indian	**Designation**: Independent Director **Current term:** Five years, with effect from November 2, 2018 to November 2, 2023
5.	**Murli Ramachandran** **Age:** 59	**Designation**: Independent Director **Current term:** Five years, with

Sr. No.	Name, Age, Address, Occupation, DIN and Nationality	Designation and Term
	Address: A3/301, Vikas Complex, Castle Mill Compound, LBS Marg, Thane 400 601, Maharashtra, India **Occupation:** Independent management consultant **DIN:** 00264018 **Nationality:** Indian	effect from September 28, 2020 to September 27, 2025
6.	**Sonal Mattoo** **Age:** 46 **Address:** K-1487, near Ansal Plaza, Palam Vihar, Choma (62), Carterpuri, Gurgaon 122 017, Haryana, India **Occupation:** Independent legal consultant **DIN:** 00106795 **Nationality:** Indian	**Designation**: Independent Director **Current term:** Five years, with effect from September 28, 2020 to September 27, 2025

Relationship between our Directors

Except for Lalit Agarwal, who is the son of Madan Gopal Agarwal, none of the Directors are related to any other Director.

Brief Biographies of our Directors

Lalit Agarwal is the Chairman and Managing Director on the Board of our Company and is a founder of our Company. He is responsible for the development of our leadership team, the enhancement of shareholders' value and ensuring corporate governance in our Company. Additionally, he is responsible for the expansion of our Company to newer regions. He holds a diploma in financial management from the Narsee Monjee Institute of Management Studies. He has participated in the 'Champions of Change' event hosted by the NITI Aayog.

Madan Gopal Agarwal is a Whole-Time Director on the Board of our Company and has been a Director of our Company since its incorporation. He handles strategic initiatives in merchandising for our Company, particularly in the footwear and strategy divisions.

Aakash Moondhra is an Independent Director on the Board of our Company. He holds a bachelor's degree in commerce from the University of Delhi and a master's degree in business administration from Southern Methodist University. He has also competed the INSEAD International Directors' Programme, offered by INSEAD. He provides strategic guidance to our Company for growth and expansion into new markets, risk management, investor relations and project management. He also advises our Company on digital technology, customer relationship management and analytics.

Murli Ramachandran is an Independent Director on the Board of the Company. He provides expertise to our Company on business strategy, leadership and talent development, and performance management and improvement.

Govind Shridhar Shrikhande is an Independent Director on the Board of our Company. He holds a master's degree in business administration from the Symbiosis Institute of Business Management of the University of Pune. He advises our Company with increasing shareholder value, corporate governance and sustainability.

Sonal Mattoo is an Independent Director on the Board of our Company. She holds a bachelors' degree in law and arts, with honours, from the National Law School of India University, Bangaluru, and is enrolled as an advocate with the Bar Council of Jammu and Kashmir. She assists our Company with several corporate social responsibility initiatives, and guides our Company in promoting gender diversity and inclusion by developing women-oriented management concepts.

Borrowing Powers of our Board

Pursuant to a special resolution passed by the Shareholders on August 2, 2019 and in accordance with provisions of the Companies Act, 2013, the Board has been authorised to borrow monies in excess of the aggregate paid-up capital and free reserves of our Company, i.e. reserves not set apart for any specific purpose, and provided that the total amount borrowed or to be borrowed by the Board shall not, at any time, exceed the limit of ₹ 75,000 lakh.

Terms of Appointment of our Executive Directors

a) **Terms of employment of our Executive Directors**

Lalit Agarwal, Chairman and Managing Director

Lalit Agarwal was appointed as a director with effect from the date of incorporation of our Company, i.e. July 24, 2002. He was designated as the Managing Director of our Company with effect from July 15, 2008. He was last re-appointed as the Chairman and Managing Director of our Company pursuant to resolutions of our Board and Shareholders dated May 3, 2017 and September 18, 2017 respectively, for a period of five years from May 31, 2017 to May 30, 2022. He receives remuneration from our Company in accordance with the Board resolution dated May 10, 2019 and the resolution of our shareholders approved in their general meeting held on August 2, 2019, and the agreement dated May 30, 2012 entered into by our Company with him. The details of the remuneration that Lalit Agarwal is entitled to and the main terms of his employment are enumerated below:

Sr. No.	Category	Remuneration
1.	**Salary**	₹ 85.39 lakh per annum
2.	**Commission**	1% commission on the net profits of our Company for each financial year, subject to the overall limit stipulated in Section 197 of the Companies Act, 2013
3.	**Perquisites and other benefits**	1. Company provided residential facility or house 2. Reimbursement of expenses incurred for the education of his children (up to 2 children), whether in India or abroad, subject to a maximum of ₹ 50 lakh per annum. 3. Reimbursement of medical expenses actually incurred by him and his family. 4. Leave travel fare for his and his family, anywhere in India, once a year. Provided that the overall value of perquisites may not exceed 90 lakh per annum.
4.	**Statutory payments**	1. Our Company pays gratuity at a rate not higher than half a month's salary for each completed year of service. 2. Our Company makes contributions towards his provident fund.

Madan Gopal Agarwal, Whole-time Director

Madan Gopal Agarwal was appointed as a director with effect from the date of incorporation of our Company, i.e. July 24, 2002. He was designated as a Whole-time Director of our Company with effect from July 15, 2008. He was last re-appointed as a Whole-time Director of our Company pursuant to resolutions of our Board and Shareholders dated May 3, 2017 and September 18, 2017 respectively, for a period of five years from May 31, 2017 to May 30, 2022. He receives remuneration from our Company in accordance with the Board resolution dated May 10, 2019 and the resolution of our shareholders approved in their general meeting held on August 2, 2019, and the agreement dated May 30, 2012 entered into by our Company with him. The details of the remuneration that Madan Gopal Agarwal is entitled to and the main terms of his employment are enumerated below:

Sr. No.	Category	Remuneration
1.	**Salary**	₹ 31.31 lakh per annum
2.	**Commission**	0.33% commission on the net profits of the Company for each financial

Sr. No.	Category	Remuneration
		year, subject to the overall limit stipulated in Section 197 of the Companies Act, 2013
3.	**Perquisites and other benefits**	1. Reimbursement of medical expenses actually incurred by him and his family. 2. Leave travel fare for his and his family, anywhere in India, once a year.
4.	**Statutory payments**	1. Our Company pays gratuity at a rate not higher than half a month's salary for each completed year of service. 2. Our Company makes contributions towards his provident fund.

b) **Sitting fees and commission to Independent Directors**

Pursuant to a resolution of the Board dated January 22, 2015, our Independent Directors are entitled to receive sitting fees of ₹ 50,000 for attending each meeting of our Board. Further, our Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations.

Payment or benefit to Directors

The remuneration paid to our Directors for the current Fiscal and Fiscals 2020, 2019 and 2018 are as follows:

Remuneration paid to Executive Directors:

The details of the remuneration (including sitting fees, salaries, commission and perquisites) paid to our Executive Directors for the nine months dated December 31, 2020 and Fiscals 2020, 2019 and 2018 are set forth in the table below:

(*₹ in lakh*)

Sr. no.	Name of the Director	Fiscal 2021 (for the nine months ended December 31, 2020)	Fiscal 2020	Fiscal 2019	Fiscal 2018
1.	Lalit Agarwal	110.19	263.93	236.64	243.81
2.	Madan Gopal Agarwal	20.74	74.74	81.45	84.98

Remuneration paid to Independent Directors:

The details of the remuneration (which includes sitting fees and commission) paid to the Independent Directors for the nine months dated December 31, 2020 and Fiscals 2020, 2019 and 2018, are set forth in the table below:

(*₹ in lakh*)

Sr. no.	Name of the Director	Fiscal 2021 (for the nine months ended December 31, 2020)	Fiscal 2020	Fiscal 2019	Fiscal 2018
1.	Aakash Moondhra	2.00	13.90	20.03	28.08
2.	Govind Shridhar Shrikhande	2.00	11.23	6.90	-*
3.	Murli Ramachandran	2.00	11.54	16.41	23.21
4.	Sonal Mattoo	2.00	11.18	15.64	22.87

** Govind Shridhar Shrikhande was appointed in Fiscal 2019 and did not receive any compensation in Fiscal 2018.*

Shareholding of Directors in our Company

Other than as stated below, none of the Directors hold any Equity Shares in the Company as of the date of filing this Placement Document:

Sr. no.	Name of the Director	Number of Equity Shares Held	Percentage of the pre-Issue issued and paid-up Equity Share capital
1.	Aakash Moondhra	924	Negligible

Interest of Directors

Our Directors may be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, or to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, out of the present Issue in terms of this Placement Document. For details of the Equity Shares held by our Directors, please refer to "– *Shareholding of Directors in our Company*" above. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and any other benefit arising out of such holding.

Our Directors may also to be interested to the extent of their remuneration, reimbursement of expenses, perquisites and other benefits to which they are entitled as per their terms of appointment. Our Independent Directors may also be deemed to be interested to the extent of sitting fees and commission payable to them for attending meetings of the Board or committees thereof as well as to the extent of remuneration and other reimbursement of expenses payable to them.

Our Executive Directors may also be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. No payments have been made to them in respect of any such contracts, agreements or arrangements, or are proposed to be made with them. Further, our Company has neither availed of any loans from, nor extended any loans to our Directors, which are currently outstanding.

Related Party Transactions

For details in relation to the related party transactions entered into by the Directors with our Company during the last three Fiscals immediately preceding the year of circulation of this Placement Document, please see "*Related Party Transactions*" on page 44.

Corporate Governance

Our Board presently consists of six Directors. In compliance with the requirements of the SEBI Listing Regulations, there are four Independent Directors on our Board, including a woman Director.

We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and other applicable SEBI Regulations in respect of corporate governance, including constitution of the Board and committees thereof. Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations.

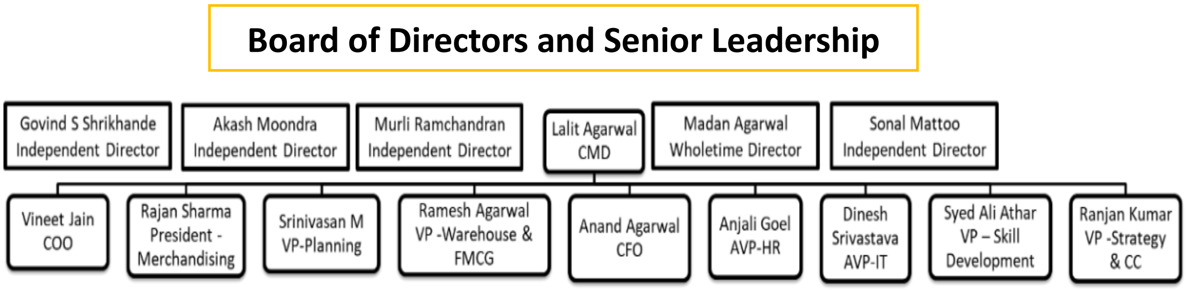
Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Corporate Social Responsibility Committee; and (v) Risk Management Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

Sr. no.	Committee	Name and Designation of Members
1.	Audit Committee	Aakash Moondhra (*Chairperson*), Murli Ramachandran, Sonal Mattoo and Govind Shridhar Shrikhande
2.	Nomination and Remuneration Committee	Murli Ramachandran (*Chairperson*), Aakash Moondhra, Sonal Mattoo and Govind Shridhar Shrikhande
3.	Stakeholders' Relationship Committee	Sonal Mattoo (*Chairperson*), Lalit Agarwal, Madan Gopal Agarwal
4.	Corporate Social Responsibility Committee	Lalit Agarwal (*Chairperson*), Madan Gopal Agarwal, Aakash Moondhra, Sonal Mattoo and Govind Shridhar Shrikhande
5.	Risk Management Committee	Aakash Moondhra (*Chairperson*), Murli Ramachandran, Sonal Mattoo and Govind Shridhar Shrikhande

Management Organisation Structure



Senior Management Personnel

In addition to Lalit Agarwal and Madan Gopal Agarwal whose details are set out in "- *Brief Biographies of our Directors*", set out below are the details of the Senior Management Personnel of our Company:

Anand Agarwal is our Chief Financial Officer and has been associated with our Company since June 2017. He handles the growth, strategic execution and corporate governance agenda in the company. He is an associate member of the Institute of Chartered Accountants of India. Prior to his association with our Company, he has worked with Reebok India Company and HT Media Limited.

Rajan Sharma is our President, Procurement and Sourcing, and has been associated with our Company since July 2016. He handles the sourcing, merchandising, buying and product development verticals for our Company.

Vineet Jain is our Chief Operating Officer and has been associated with our Company since November 2020. He is responsible for leading the development and execution of our Company's operational and customer-centric strategies. He is an associate member of the Institute of Chartered Accountants of India. He has participated in the 'Middle Management Programme of the 3-Tier Programme for Management Development' at the Indian Institute of Management, Ahmedabad, and has attended the AVIRA program at INSEAD, Fontainebleau, France.

M. Srinivasan is our Vice President, Supply Chain Management and Planning, and has been associated with our Company since March 2015. He holds a bachelor's degree in technology from the Alagappa College of Technology, Anna University, with a specialisation in chemical engineering, and a post-graduate diploma in management from the Indian Institute of Management, Lucknow. Prior to his association with our Company, he has worked with Reliance Global Management Services Limited, Hewlett-Packard GlobalSoft Limited, Tesco Hindustan Service Centre and Resurgent India Capital Advisory Private Limited.

Ramesh Agarwal is our Vice President, Warehouse operations and Fast Moving Consumer Goods, and has been associated with our Company since October 2011. He is responsible for supply chain planning, warehouse and logistics operations, and fast moving consumer goods planning and buying, in our Company.

Ranjan Kumar is our Vice President, Strategy and Corporate Communication, and has been associated with our Company since July 2018. He handles the planning and execution of strategic initiatives focused on growth, operational excellence and corporate citizenship in our Company, and is responsible for providing oversight and guidance on key stakeholder communication initiatives targeting investors, customers and employees by our Company. He holds a post graduate diploma in management from the Indian Institute of Management, Lucknow, and is an executive fellow of the Indian Institution of Management, Lucknow. Prior to his association with our Company, he has worked with Ranbaxy Laboratories, RocSearch India Private Limited, Dion Global Solutions Limited and Axience Consulting Private Limited.

Anjali Goel is our Assistant Vice President, Human Resources, and has been associated with our Company since March 2013. She handles the design and implementation of our Company's human resource strategy, in line with our business strategy and the future work scenarios. She holds a bachelor's degree in business administration from the Pondicherry University, and a post graduate diploma in business management from the New Delhi Institute of Management of the Guru Gobind Singh Indraprastha University. Prior to her association with our Company, she has worked with Dimension-I and DLF Universal Limited.

Dinesh Srivastava is our Assistant Vice President, Information Technology and has been associated with our Company since January 2011. He handles information technology functions for our Company.

Syed Ali Athar is our Vice President, Skill Development and Training, and has been associated with our Company since January 2018. He leads the skill development initiative of our Company. He holds a post graduate diploma in sales and marketing management from the National Institute of Sales. Prior to his association with our Company, he has worked with NIIT Yuva Jyoti Limited.

Snehal Shah is the Senior Vice President, Projects and Business Development, of our Company and has been associated with our Company since April 2006. He holds a bachelor's degree in commerce from the University of Bombay.

Megha Tandon is the Company Secretary and Compliance Officer of our Company and has been associated with our Company since July 2015. She is a fellow member of the Institute of Company Secretaries of India. Prior to her association with our Company, she has worked with BWI Automotive Technologies Private Limited.

Except Snehal Shah, who is the son-in-law of Madan Gopal Agarwal, a Director and Promoter of our Company, none of the abovementioned Senior Management Personnel are related to each other and neither are they related to our Promoters or Directors.

All our Senior Management Personnel are permanent employees of our Company.

Shareholding of Senior Management Personnel

Except as disclosed below and under "– *Shareholding of Directors in our Company*" on page 187, none of the Senior Management Personnel hold any Equity Shares as on the date of this Placement Document:

Sr. no.	Name	Number of Equity Shares Held	Percentage of the issued and paid-up Equity Share capital (in %)
1.	Anand Agarwal	2,655	0.01
2.	Rajan Sharma	4,922	0.03
3.	M. Srinivasan	5,670	0.03
4.	Ramesh Agarwal	2,535	0.01
5.	Snehal Shah	15,845	0.09
6.	Anjali Goel	3,630	0.02

Interests of Senior Management Personnel

Other than the interest of our Executive Directors in our Company, as disclosed under the section entitled "– *Interest of Directors*" on page 187, our Senior Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and the reimbursement of expenses incurred by them during the ordinary course of business.

Our Senior Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, to the extent of any Equity Shares held by them.

Except as provided in "*Related Party Transactions*" beginning on page 44, our Senior Management Personnel do not have any interest in our Company.

Other Confirmations

Except as otherwise stated above in "– *Interest of our Directors*" and "– *Interest of Senior Management Personnel*", none of our Directors, Promoters or Senior Management Personnel has any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interest of other persons.

Neither our Company, nor the Directors or Promoters have been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters as defined under the SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI. Further, none of our Promoters or Directors is a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Directors, Promoters or Senior Management Personnel of our Company intends to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 9(1) of the SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of internal procedures and conduct for the fair disclosure of unpublished price sensitive information and the prevention of insider trading. In compliance with the same, our Company has implemented a code of conduct for prevention of insider trading, which lays down the procedure for preserving the confidentiality of unpublished price sensitive information, and preventing misuse of such information. The Company Secretary of our Company acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company and December 31, 2020 is set forth below.

Table I - Summary Statement holding of specified securities:

Category of shareholder (I)	Nos. of shareholders (II)	No. of fully paid up equity shares held (III)	No. of shares underlying Depository Receipts (IV)	Total nos. shares held (V) = (III) + (IV)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VI) As a % of (A + B + C2)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A + B + C)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (VIII)
								No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	5	91,96,622	0	91,96,622	50.60	91,96,622	50.60	0	0	0	0	91,96,622
(B) Public	20,633	89,78,909	0	89,78,909	49.40	89,78,909	49.40	0	0	0	0	89,78,807
(C) Non Promoter- Non Public												
(C1) Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0
(C2) Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0
Total	20,638	1,81,75,531	0	1,81,75,531	100	1,81,75,531	100	0	0	0	0	1,81,75,429

Table II - Statement showing shareholding pattern of our Promoters and Promoter Group:

Category & Name of the Shareholders (I)	No. of shareholder (II)	No. of fully paid up equity shares held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V = III+IV)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered (VIII)		Number of equity shares held in dematerialized form (IX)
								No.	As a % of total Shares held	No.	As a % of total shares held	
A1) Indian												
Individuals / Hindu undivided Family	4	17,05,949	0	17,05,949	9.39	17,05,949	9.39	0	0	0	0	17,05,949
LALIT M AGARWAL HUF	1	12,77,275	0	12,77,275	7.03	12,77,275	7.03	0	0	0	0	12,77,275
HEMANT AGARWAL HUF	1	1,50,266	0	1,50,266	0.83	1,50,266	0.83	0	0	0	0	1,50,266
HEMANTA KUMAR AGARWAL	1	43	0	43	0	43	0	0	0	0	0	43
SMITI AGARWAL	1	2,78,365	0	2,78,365	1.53	2,78,365	1.53	0	0	0	0	2,78,365
Bodies Corporate	1	74,90,673	0	74,90,673	41.21	74,90,673	41.21	0	0	0	0	74,90,673
CONQUEST BUSINESS SERVICES PVT LTD	1	74,90,673	0	74,90,673	41.21	74,90,673	41.21	0	0	0	0	74,90,673
Sub-Total (A1)	5	91,96,622	0	91,96,662	50.60	91,96,662	50.60	0	0	0	0	91,96,622
A2) Foreign												
Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0	0	0	0
Government	0	0	0	0	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0	0	0	0

Category & Name of the Shareholders (I)	No. of shareholder (II)	No. of fully paid up equity shares held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V = III+IV)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered (VIII)		Number of equity shares held in dematerialized form (IX)
								No.	As a % of total Shares held	No.	As a % of total shares held	
Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total (A2)	0	0	0	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group (A)= (A1)+(A2)	5	91,96,622	0	91,96,622	50.60	91,96,622	50.60	0	0	0	0	91,96,622

Table III - Statement showing shareholding pattern of the Public shareholder:

Category & Name of the Shareholders (I)	Nos. of shareholder (II)	No. of fully paid up equity share s held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V= III+IV)	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered (VIII)		Number of equity shares held in dematerialized form (IX)
								No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total share s held (Not applicable) (b)	
B1) Mutual Funds/	19	33,59,362	0	33,59,362	18.48	33,59,362	18.48	0	0	0	0	33,59,362
ICICI PRUDENTIAL BHARAT CONSUMPTION FUND-SERIES 3	1	5,84,156	0	5,84,156	3.21	5,84,156	3.21	0	0	0	0	5,84,156
DSP EQUITY & BOND FUND	1	11,30,589	0	11,30,589	6.22	11,30,589	6.22	0	0	0	0	11,30,589
ITPL - INVESCO INDIA GROWTH FUND	1	4,34,669	0	4,34,669	2.39	4,34,669	2.39	0	0	0	0	4,34,669

Category & Name of the Shareholders (I)	Nos. of shareholder (II)	No. of fully paid up equity share s held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V= III+IV)	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered (VIII)		Number of equity shares held in dematerialized form (IX)
								No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total share s held (Not applicable) (b)	
SBI SMALL CAP FUND	1	3,35,103	0	3,35,103	1.84	3,35,103	1.84	0	0	0	0	3,35,103
IDFC STERLING VALUE FUND	1	2,39,183	0	2,39,183	1.32	2,39,183	1.32	0	0	0	0	2,39,183
Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0
Alternate Investment Funds	0	0	0	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investors	84	41,05,672	0	41,05,672	22.59	41,05,672	22.59	0	0	0	0	41,05,672
FIL INVESTMENTS(MAURITIUS)LTD	1	2,99,812	0	2,99,812	1.65	2,99,812	1.65	0	0	0	0	2,99,812
KUWAIT INVESTMENT AUTHORITY FUND 225	1	2,87,843	0	2,87,843	1.58	2,87,843	1.58	0	0	0	0	2,87,843
JWALAMUKHI INVESTMENT HOLDINGS	1	14,98,624	0	14,98,624	8.25	14,98,624	8.25	0	0	0	0	14,98,624
FIDELITY FUNDS - INDIA FOCUS FUND	1	2,06,690	0	2,06,690	1.14	2,06,690	1.14	0	0	0	0	2,06,690
BOTTOM BILLION FUND	1	2,89,721	0	2,89,721	1.59	2,89,721	1.59	0	0	0	0	2,89,721
Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0
Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0	0	0	0
Any Other –Specify	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total (B1)	103	74,65,034	0	74,65,034	41.07	74,65,034	41.07	0	0	0	0	74,65,034
B2) Central Government/ State Government(s)/ President of India												
Sub-Total (B2)	0	0	0	0	0	0	0	0	0	0	0	0
B3) Non-institutions												

Category & Name of the Shareholders (I)	Nos. of shareholder (II)	No. of fully paid up equity share s held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V= III+IV)	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered (VIII)		Number of equity shares held in dematerialized form (IX)
								No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total share s held (Not applicable) (b)	
Individuals -	19,201	11,69,945	0	11,69,945	6.44	11,69,945	6.44	0	0	0	0	11,69,843
Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	19,198	10,95,268	0	10,95,268	6.03	10,95,268	6.03	0	0	0	0	10,95,166
Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	3	74,677	0	7,46,77	0.41	74,677	0.41	0	0	0	0	74,677
NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0
Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0
Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0	0	0	0
Any Other (specify)	1,329	3,43,930	0	3,43,930	1.89	3,43,930	1.89	0	0	0	0	3,43,930
Trusts	4	16,847	0	16,847	0.09	16,847	0.09	0	0	0	0	16,847
Clearing member	79	19,503	0	19,503	0.11	19,503	0.11	0	0	0	0	19,503
Bodies Corporate	356	1,55,039	0	1,55,039	0.85	1,55,039	0.85	0	0	0	0	1,55,039
Non-Resident Indian (NRI) (Repatriable)	610	47,501	0	47,501	0.26	47,501	0.26	0	0	0	0	47,501
HUF	0	0	0	0	0	0	0	0	0	0	0	0
Other - Non-Resident Indian (NRI) (Non-Repatriable)	274	42,016	0	42,016	0.23	42,016	0.23	0	0	0	0	42,016
Directors & Relatives	0	0	0	0	0	0	0	0	0	0	0	0
Investor Education and Protection Fund	0	0	0	0	0	0	0	0	0	0	0	0
ALTERNATIVE INVESTMENT FUND	5	43,081	0	43,081	0.24	43,081	0.24	0	0	0	0	43,081
Qualified Institutional Buyer	1	19,943	0	19,943	0.11	19,943	0.11	0	0	0	0	19,943
Sub-Total (B3)	20530	15,13,875	0	15,13,875	8.33	15,13,875	8.33	0	0	0	0	15,13,773
Total Public Shareholding (B) = (B1) + (B2) + (B3)	20633	89,78,909	0	89,78,909	49.40	89,78,909	49.40	0	0	0	0	89,78,807

Table IV - Statement showing shareholding pattern of the Non-Promoter – Non-Public Shareholder:

Category & Name of the Shareholders (I)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered (VIII)		Number of equity shares held in dematerialized form (IX)
								No.	As a % of total Shares held	No. (Not applicable)	As a % of total shares held (Not applicable)	
C1) Custodian/DR Holder	0	0	0	0	0	0	0	0	0	0	0	0
C2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Promoter-Non Public Shareholding (C)=(C)(1)+(C)(2)	0	0	0	0	0	0	0	0	0	0	0	0

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment of Application Amount, Allocation and Allotment. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Manager. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also, please see the sections entitled "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 214 and 223, respectively.

Our Company, the Book Running Lead Manager and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Placement Document has not been, and will not be, filed as a prospectus with the RoC and no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, through the mechanism of a Qualified Institutions Placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and other applicable provisions of the Companies Act, a company, being a listed company in India may issue equity shares to Eligible QIBs, provided that certain conditions are met:

- the shareholders of the issuer have passed a special resolution approving the Issue. Such special resolution must *inter alia* specify (a) that the Allotment is proposed to be made pursuant to the QIP; and (b) the relevant date

- the explanatory statement to the notice to shareholders for convening the general meeting must disclose amongst other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of this Issue, the contribution made by our promoters or directors either as part of this Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of the issuer, which are proposed to be allotted through the issue, are listed on a recognised stock exchange in India having nation-wide trading terminals, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to seek the approval the above-mentioned special resolution;

- invitation to apply in the QIP must be made through a private placement offer-cum-application, and Application Form serially numbered and addressed specifically to the Eligible QIBs to whom this issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- the issuer must have completed allotments with respect to any earlier offer or invitation made by it or shall have withdrawn or abandoned such invitation or offer made by our it. However, the issuer may, at any time, make more than one issue of securities to such class of identified persons as may be permitted under applicable law; and

- the promoters and directors of the issuer must not be fugitive economic offenders.

For details in relation to the Preferential Issue, please see attached the section entitled "*Capital Structure*" on page 78.

In accordance with the SEBI ICDR Regulations, the Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees.

At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be Allotted to Mutual Funds remains unsubscribed, it may be Allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares offered under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

The "Relevant Date" referred to above means the date of the meeting in which the Investment Committee decides to open this Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

The Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue and within 60 days from the date of receipt of Application Amount from the Successful Bidders. For details of refund of Application Amount, please see the section entitled "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 210.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document. The Preliminary Placement Document and this Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document and this Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The Issue was approved by the Board of Directors on September 5, 2020. Subsequently, our Shareholders, through a special resolution, approved the Issue on September 30, 2020.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 25,000 lakh; and

- five, where the issue size is greater than ₹ 25,000 lakh.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", please see the section entitled "*– Bid Process – Application Form*" on page 205.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action has been or will be taken by our Company or the Book Running Lead Manager which would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India or Malaysia, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document, nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in reliance on Regulations S. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, please see the section entitled "*Selling Restrictions*" on page 214.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. In addition, purchasers of the Equity Shares Allotted pursuant to the Issue shall comply with the resale restrictions set forth in "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 214 and 223, respectively.

Our Company has filed a copy of the Preliminary Placement Document and is filing a copy of this Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to this Issue on the Stock Exchanges on January 28, 2021. Our Company shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

Issue Procedure

1. Our Company and the Book Running Lead Manager have circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form has been specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules.

2. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form have been delivered has been determined by our Company in consultation with the Book Running Lead Manager, at their sole discretion. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Issue Period to the Book Running Lead Manager.

4. Bidders will be required to indicate the following in the Application Form:

- full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail ID, PAN, phone number and bank account details

- number of Equity Shares Bid for

- price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for

- details of the beneficiary account maintained with a Depository Participant to which the Equity Shares should be credited

- Equity Shares held by the Eligible QIBs in our Company prior to the Issue; and

- a representation that it is outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S and the applicable laws of the jurisdiction where those offers and sales are made, and it has agreed to certain other representations set forth in the sections entitled "*Representation by Investors*" and "*Transfer Restrictions and Purchaser Representations*" on pages 5 and 223 and certain other representations made in the Application Form.

  Note: Eligible FPIs are required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

5. Each Bidder shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*V-Mart Retail Limited-QIP Escrow account*" with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made by Bidders in cash. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event, among others, a Bidder was not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "- *Refunds*" on page 210.

6. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period.

7. Once a duly completed Application Form is submitted by a Bidder, whether signed or not and the Application Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer

and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

8. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, on or after the Issue Closing Date, our Company shall, in consultation with Book Running Lead Manager, determine the final terms, including (i) the Issue Price, (ii) the number of Equity Shares to be Allocated to each Successful Bidder; and (iii) the Successful Bidders to whom such Equity Shares shall be Allocated. Upon such determination, the Book Running Lead Manager will send the serially numbered CAN to Successful Bidders who have been Allocated the Equity Shares. The dispatch of a CAN, and this Placement Document to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be in consultation with the Book Running Lead Manager.**

9. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Manager, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

11. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible Qualified Institutional Buyers

Only Eligible QIBs who have not been prohibited by the SEBI or under the FEMA Rules from buying, selling or dealing in securities can participate in this Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules, FVCIs and multilateral or bilateral development financial institutions are not permitted to participate in the Issue. Accordingly, Eligible QIBs for the purposes of this Issue shall comprise:

- alternate investment funds registered with SEBI (except alternate investment funds whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules)
- Eligible FPIs
- insurance companies registered with Insurance Regulatory and Development Authority of India
- insurance funds set up and managed by army, navy or air force of the Union of India
- insurance funds set up and managed by the Department of Posts, India
- Mutual Funds
- pension funds with minimum corpus of ₹ 2,500 lakh
- provident funds with minimum corpus of ₹ 2,500 lakh
- public financial institutions as defined in Section 2(72) of the Companies Act
- scheduled commercial banks
- state industrial development corporations
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India
- venture capital funds registered with SEBI (except venture capital funds whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules); and
- systemically important non-banking financial companies

subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES, IN THIS ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD.

In terms of the SEBI FPI Regulations and the FEMA Rules, the issue of Equity Shares to a single Eligible FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of the post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed CDSL as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit, a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars / public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" beginning on page 214.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to, our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to our Promoters.

Our Company and the Book Running Lead Manager and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document or this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering a tender offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB will be deemed to have made all the following representations, warranties, acknowledgements, agreements and undertakings given or made under the sections entitled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 2, 5, 214, and 223, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue.

2. The Eligible QIB confirms that it is not a Promoter and is not a person related to our Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent our Promoters or Promoter Group or persons related to our Promoters.

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with our Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding Equity Shares which shall not be deemed to be a person related to our Promoters.

4. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date.

5. The Eligible QIB confirms that, and consents to, its name and percentage of post-Issue shareholding (assuming full subscription in this Issue) being included as a "proposed Allottee" in this Issue in this Placement Document. However the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager.

6. The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets, and is not an FVCI.

7. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges.

8. The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB.

9. The Eligible QIB confirms that its Bid would not eventually result in triggering an open offer under the SEBI Takeover Regulations.

10. The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the

Application Form within the Issue Period. The Eligible QIB further agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date.

11. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Manager. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part.

12. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company has disclosed names as proposed Allottees and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and consents of such disclosure, if any Equity Shares are Allocated to it. However the Eligible QIB further acknowledges and agrees, that disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager.

13. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations.

14. The Eligible QIB confirms that:

    a. It will make payment of its Application Amount along with submission of the Application Form before the Issue Closing Date; and

    b. It is outside the United States and is purchasing the Equity Shares in an offshore transaction in reliance upon Regulation S.

15. The Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. The Eligible QIBs confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

17. The Eligible QIB acknowledges that no Allotment shall be made to it if the price at which they have Bid for in the Issue is lower than the Issue Price.

18. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company, on a fully diluted basis.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN / PAN ALLOTMENT LETTER, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares that may be Allotted to such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document by our Company (by itself or through any BRLM) in favour of the Successful Bidder.

Bank Account Details

Each Eligible QIB shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the IT Act in the Application Form and enclose a copy of the PAN card or PAN allotment letter (as applicable) along with the Application Form. Application Forms without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the Eligible QIB, the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (if applicable). The Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at either of the following address:

Name of Book Running Lead Manager	Address	Contact Person	Website and Email ID	Telephone and Facsimile
Kotak Mahindra Capital Company Limited	27 BKC, 1st Floor, Plot No. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India	Karl Sahukar	*Website:* www.investmentbank.kotak.com *Email ID:* vmart.qip@kotak.com	*Telephone:* +91 22 4336 0000 *Facsimile:* +91 22 6713 2447

The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly completed Application Form is submitted by a Bidder, whether signed or not, and the Application Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

Bidders, Bidding in the Issue, shall pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the Escrow Account in the name of "*V-Mart Retail Limited-QIP Escrow account*" with Axis Bank Limited, our Escrow Bank, in terms of the Escrow Agreement. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for, along with the submission of the Application Form submitted by it in accordance with the applicable laws and during the Issue Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer from the Bidder's own bank account. Payments made through cheques or demand draft or cash shall be liable to be rejected. Further, if the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in the Escrow Account only for the purposes of (i) adjustment against allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "– *Refunds*" on page 210.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

The "Relevant Date" referred to above will be the date of the meeting in which the Board decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and is filing the same with the Stock Exchanges as this Placement Document.

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Manager, has determined the Issue Price, which is above the Floor Price. After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details is filing the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them the, Issue Price and the Application Amount for the Equity Shares Allotted shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to furnish all details that may be required by the Book Running Lead Manager, and to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board (or a duly constituted committee thereof) will approve the Allotment to the Allottees in consultation with the Book Running Lead Manager.

QIBS ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOTTED TO THEM PURSUANT TO THE ISSUE.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in the section entitled "*Notice to Investors*" on page 2, and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions in the Placement Agreement, at the Allotment of Equity Shares is completed by the Designated Date provided in the respective CANs.

2. In accordance with the SEBI ICDR Regulations, the Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

4. Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for obtaining listing approvals. Post receipt of listing approvals and credit of Equity Shares into the beneficiary accounts of the Eligible QIBs, our Company will apply for the trading approvals from the Stock Exchanges.

5. Pursuant to a circular dated March 5, 2010, issued by SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in this Placement Document.

6. The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Manager and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

7. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and is filing such document with the Stock Exchanges as this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Application Form. Such Bidders to whom no Equity Shares are allocated, and full refunds shall be made will receive a refund intimation letter from our Company providing details of the refund. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Application Amount, our Company shall repay the Application Amount within 15 days from expiry of 60 days, failing which our Company shall repay that monies with interest of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by our Company shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder as set out in the Application Form. For details, please see the section entitled "– *Refunds*" on page 210.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "*V-Mart Retail Limited-QIP Escrow account*" to our Company until receipt of notice from the Book Running Lead Manager, of the receipt of the final listing and trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Manager will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement Agreement

The Book Running Lead Manager has entered into the placement agreement dated January 28, 2021 with our Company, pursuant to which the Book Running Lead Manager has agreed, subject to certain conditions, to manage the Issue and to act as a placement agent in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable efforts basis to be placed with the QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act and the rules made thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Manager, and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action has been or will be taken by our Company or the Book Running Lead Manager which would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India or Malaysia, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document, nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in reliance on Regulations S. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, please see the section entitled "*Selling Restrictions*" on page 214.

Relationship with the Book Running Lead Manager

In connection with the Issue, the Book Running Lead Manager (or its affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the BRLM that are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. For further details, please see the section entitled "*Offshore Derivative Instruments*" and "*Representations by Investors*" on pages 11 and 5.

From time to time, the Book Running Lead Manager, and their affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to commercial banking, investment banking, advisory, trading services for our Company, its group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and their respective affiliates and associates.

Lock-up

Our Company undertakes that it will not for a period of 180 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Manager, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option (other than options pursuant to any stock option scheme), right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above. The above restrictions shall not be applicable in relation to allotment of Equity Shares pursuant to the stock options that have been granted by our Company.

Our Company acknowledges that (i) our Promoters and each member of our Promoter Group (except Hemant Agarwal HUF, Hemanta Kumar Agarwal and Smiti Agarwal) has undertaken that it will not for a period of 180 days from the date of Allotment under the Issue; and (ii) Hemant Agarwal HUF, Hemanta Kumar Agarwal and Smiti Agarwal have undertaken that they will not for a period of 30 days from the date of Allotment under the Issue; without the prior written consent of the Book Running Lead Manager, directly or indirectly: (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. The restrictions set out above shall not in any manner be applicable to any inter-se transfer between our Promoters and the Promoter Group of our Company.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs. The distribution of this Placement Document and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India or Malaysia, or the possession, circulation or distribution of this Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India or Malaysia. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, and acknowledgments to and agreements with our and the Book Running Lead Manager as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions and Purchaser Representations*" on pages 2, 5 and 223, respectively.

India

The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) ("**Corporations Act**") and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" and that not it is not a "retail client" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Company that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

Neither the Book Running Lead Manager nor any of its affiliates is the holder of Australian Financial Services Licence.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Placement Document and the Equity Shares that offered pursuant to this Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Cayman Islands

The Placement Document does not constitute an offer or invitation to the public in the Cayman Islands to subscribe for Equity Shares in the Issue.

People's Republic of China

No action has been taken that would permit the offer or sale Equity Shares offered in the Issue or the distribution of this Placement Document in the People's Republic of China (the "**PRC**", which, for the sole purpose herein, does not include Hong Kong, Macau or Taiwan). This Placement Document does not constitute an offer of the Equity Shares offered in the Issue, whether by way of sale or subscription, in the PRC. The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), an offer to the public of any Equity Shares in the Issue may not be made in that Relevant State, except if the Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

- to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Book Running Lead Manager for any such offer;
- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Book Running Lead Manager of such fact in writing and has received the consent of the Book Running Lead Manager in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the

Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Manager has been obtained to each such proposed offer or resale.

Our Company, the Book Running Lead Manager and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

United Kingdom (additional restrictions)

The Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). The Placement Document is directed only at relevant persons. Other persons should not act on the Placement Document or any of its contents. The Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

Hong Kong

The Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, the Placement Document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of the Placement Document, they should obtain independent professional advice.

The Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares nor an advertisement of the Equity Shares in Hong Kong. The Placement Document must not be issued, circulated or distributed in Hong Kong other than:

(a) to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"); or
(b) in other circumstances which do not result in the Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of the Placement Document may issue, circulate or distribute the Placement Document in Hong Kong or make or give a copy of the Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Equity Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

Japan

No securities registration statement in relation to the solicitations of the Equity Shares offered in the Issue in Japan (the "**Solicitations**") has been or will be filed pursuant to Article 4, Paragraph 1 of the Financial Instrument and

Exchange Law of Japan (the "**FIEL**"). The Solicitations shall only be made (i) to Qualified Institutional Investors and (ii) to no more than 49 persons (excluding any Qualified Institutional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Any Qualified Institutional Investors who acquire Equity Shares in the Issue (a) may not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Equity Shares to any person in Japan or to or for the benefit of any resident of Japan, including any corporation or other entity organised under the laws of Japan, except to Qualified Institutional Investors; and (b) shall deliver a notification indicating (a) and (b) herein to any transferee of the Equity Shares.

Capitalized terms used in this sub-section and not defined in this Placement Document have the meanings given to those terms in the FIEL.

Jordan

The Equity Shares offered in the Issue have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the Hashemite Kingdom of Jordan in a manner that would constitute a public offering. This Placement Document has not been and will not be reviewed or approved by, or registered with, the Jordan Securities Commission in accordance with its regulations and any other regulations in the Hashemite Kingdom of Jordan. The Equity Shares are not and will not be traded on the Amman Stock Exchange. The Equity Shares have not been and will not be offered, sold or promoted or advertised in Jordan other than in compliance with the Securities Law No. (76) of 2002, as amended, the Law Regulating Dealings in Foreign Exchange No. (50) of 2008, and regulations issued pursuant thereto governing the issue of offering and sale of securities. Without limiting the foregoing, the Equity Shares have not been and will not, in any manner, be offered, sold, promoted or advertised to more than thirty (30) persons in Jordan, without complying with the required approval and notification requirements set-out under the above-referenced laws and the regulations issued pursuant to them.

Kuwait

This Placement Document has not been licensed for the offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait ("**Kuwait Securities Laws**"). Therefore, in accordance with the Kuwait Securities Laws, no private or public offering of the Equity Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

This Placement Document has not been and will not be registered as a prospectus with the Securities Commission Malaysia ("**SC**") under the Malaysian Capital Markets and Services Act 2007 (as amended) ("**CMSA**"). No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares offered in the Issue which complies with the requirements of the CMSA and the guidelines of the SC has been or will be registered with the SC under the CMSA or with any other regulatory body in Malaysia. Also, no approval or authorisation of the SC has been granted for making available, offering for subscription or purchase, or issuing an invitation to subscribe for or purchase the Equity Shares offered in the Issue in Malaysia. This Placement Document does not constitute and may not be used for the purpose of a public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the SC under the CMSA.

Accordingly, this Placement Document and any other document or material in connection with the Issue will not be circulated or distributed, nor will the Equity Shares offered in the Issue be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the SC; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares offered in the Issue, as principal, if the offer is on terms that the Equity Shares offered in the Issue may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the SC; provided that, in the each of the preceding categories (i) to (xi), (1) the distribution of the Equity Shares offered in the Issue is made by a holder of a Capital Markets Services License in Malaysia who carries on the business of dealing in securities or (2) no marketing of the Issue is made in Malaysia and the offer to purchase Equity Shares in the Issue is made on a reverse solicitation basis (i.e., the potential investor makes the initial application or inquiry) only. Neither the Book Running Lead Manager nor any of its affiliates is a holder of a Capital Markets Services License in Malaysia. All persons applying to subscribe to Equity Shares in the Issue shall be deemed to represent that are a person listed in one of the categories (i) to (xi) above.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Equity Shares offered in the Issue may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Placement Document has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Placement Document does not constitute a public offering. The Placement Document is for the exclusive use of the person to whom it has been given by the Book Running Lead Manager and is a private concern between the sender and the recipient.

New Zealand

This Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMA Act**"). The Equity Shares offered in the Isuee may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who: (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Oman

This Placement Document does not constitute an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman. This Placement Document is strictly private and confidential and is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

This Placement Document has not been approved by the Capital Market Authority of Oman (the "**CMA**") or any other regulatory body or authority in the Sultanate of Oman ("**Oman**"), nor has the Book Running Lead Manager or any placement agent acting on its behalf received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute the Equity Shares in Oman.

No marketing, offering, selling or distribution of any Equity Shares has been or will be made from within Oman and no subscription for any Equity Shares may or will be consummated within Oman. Neither the Book Running Lead Manager nor any placement agent acting on its behalf is a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. Neither the Book Running Lead Manager nor any placement agent acting on its behalf advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

The Equity Shares offered in the Issue have not and will not be listed on any stock exchange in the Sultanate of Oman.

Nothing contained in this Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

Qatar (excluding the Qatar Financial Centre)

This Placement Document does not, and is not intended to, constitute an invitation or an offer of Equity Shares in the State of Qatar and accordingly should not be construed as such. The Equity Shares offered in the Issue have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, or any other authority or agency in the State of Qatar; (b) our Company and the Book Running Lead Manager is not authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Issue has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Our Company and the Book Running Lead Managers are not, by distributing this Placement Document, advising individuals resident in the State of Qatar as to the appropriateness of purchasing Equity Shares in the Offer. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

This Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre ("**QFC**"), and accordingly should not be construed as such. The Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. The Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licenced by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1- 28-2008, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser.

Singapore

This Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). Accordingly, the Equity Shares offered in the Issue may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Africa

In South Africa, the offering of the Equity Shares in the Issue will only be made by way of private placement to:

(a) selected persons falling within one of the specified categories listed in section 96(1)(a) of the South African Companies Act of 2008, as amended (the "**South African Companies Act**"); and
(b) selected persons, acting as principal, acquiring Equity Shares for a total acquisition cost of ZAR1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act,

and in each case to whom the offer of the Equity Shares will specifically be addressed, and only by whom the offer will be capable of acceptance (the "**South African Qualifying Investors**"). This Placement Document is being made available only to such South African Qualifying Investors. The information contained in this Placement Document does not constitute, nor form part of, any offer or invitation to sell or issue, an advertisement or any solicitation of any offer or invitation to purchase or subscribe for any Equity Shares or any other securities and is not an "offer to the public" as contemplated in the South African Companies Act. This Placement Document does not, nor does it intend to, constitute a "registered prospectus" or an "advertisement", as contemplated by the South African Companies Act and no prospectus has been filed with the Companies and Intellectual Property Commission (the "**CIPC**") in respect of the Issue of the Equity Shares. As a result, this Placement Document does not comply with the substance and form requirements for a prospectus set out in the South African Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with, the CIPC.

The information contained in this Placement Document constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act of 2002, as amended (the "**FAIS Act**") and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Equity Shares or in relation to the business or future investments of the Company is appropriate to the particular investment objectives, financial situation or needs of a prospective investor, and nothing in this Placement Document should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. The Company is not a financial services provider licenced as such under the FAIS Act.

South Korea

No securities registration statement in relation to the Solicitations (as defined under Financial Investment Services and Capital Markets Act of the Republic of Korea ("**South Korea**") (the "**FISCMA**")) of the Equity Shares offered in the Issue in South Korea has been or will be filed pursuant to the FISCMA. The Solicitations shall only be made (i) to certain professionals as prescribed in the FISCMA and the enforcement decree promulgated thereunder ("**Professional Investors**") and (ii) to no more than 49 persons (excluding any Professional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Furthermore, the Equity Shares may not be offered, sold, transferred or delivered for reoffering or resale, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transactions Act of South Korea and the decree, rules and regulations promulgated thereunder) thereof for a period of one year from the date of the issuance of the Equity Shares, except as otherwise permitted under applicable South Korean laws and regulations.

Switzerland

The Equity Shares offered in the Issue may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares offered in the Issue may be publicly distributed or otherwise made publicly available in Switzerland. The Equity Shares offered in the Issue shall only be offered to regulated financial intermediaries, such as banks, securities dealers, insurance institutions and fund management companies, as well as institutional investors with professional treasury operations.

Neither this Placement Document nor any other offering or marketing material relating to the offering of the Equity Shares in the Issue have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Placement Document will not be filed with, and the offer of the Equity Shares offered in the Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA The offer of the Equity Shares in the Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to purchasers of the Equity Shares offered in the Issue.

This Placement Document is personal to the recipient only and is not for general circulation in Switzerland.

United Arab Emirates (excluding the Dubai International Financial Centre)

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion"**) of the Placement Document or the Equity Shares may be made in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of the Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, the Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of the Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of the Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the Central Bank of the United Arab Emirates or any other regulatory authority in the UAE has reviewed or approved the contents of the Placement Document and nor does any such entity accept any liability for the contents of the Placement Document.

Dubai International Financial Centre

The Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) (the "**Markets Rules**") adopted by the Dubai Financial Services Authority (the "**DFSA**"); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. The Placement Document must not be delivered to, or relied on by, any other person. The DFSA has not approved the Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it. Capitalised terms not otherwise defined in the Placement Document have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered in the Issue should conduct their own due diligence on the Equity Shares. If you do not understand the contents of the Placement Document, you should consult an authorised financial adviser.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in reliance on Regulation S. To help ensure compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "*Transfer Restrictions and Purchaser Representations*" on page 223. The Equity Shares purchased in the Issue are transferable only in accordance with the restrictions described in "*Transfer Restrictions and Purchaser Representations*".

TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares purchased in the Issue, except on the Stock Exchange, is not permitted for a period of one year from the date of Allotment. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 214.

United States

Each purchaser of the Equity Shares offered in the Issue shall be deemed to have represented, warranted and acknowledged to and agreed with our Company and the Book Running Lead Manager as follows:

- It understands that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.

- It was outside the United States (within the meaning of Regulation S) at the time the offer of the Equity Shares offered in the Issue was made to it and it was outside the United States (within the meaning of Regulation S) when its buy order for the Equity Shares offered in the Issue was originated.

- It did not purchase the Equity Shares offered in the Issue as a result of any "directed selling efforts" (as defined in Regulation S).

- It is buying the Equity Shares offered in the Issue for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Issue, it agrees that it will not offer, sell, pledge or otherwise transfer the Equity Shares offered in the Issue except in transactions complying with Rule 903 or Rule 904 of Regulation S or any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Where it is subscribing to the Equity Shares offered in the Issue as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.

- Where it is subscribing to the Equity Shares offered in the Issue for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Equity Shares offered in the Issue for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees to indemnify and hold our Company and the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Issue.

- It acknowledges that our Company, the Book Running Lead Manager and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements and acknowledgements.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Manager or any of its respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges of India in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June, 1994. The capital market (equities) segment commenced operations in November, 1994, and operations in the derivatives segment commenced in June, 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, govern the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Disclosure under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Hours

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2004, BSE introduced its new generation trading platform, BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any unpublished price sensitive information ("**UPSI**") relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, members of the promoter group, key managerial personnel, directors as well as continual disclosures by every promoter, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of ₹ 10 lakh over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in

February 2000, and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set forth below is a brief summary of some of the existing provisions of the Memorandum of Association and Articles of Association, the Companies Act and certain other related legislation relating to the rights attached to the Equity Shares. Prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

As on the date of this Placement Document, our Company's authorised share capital is ₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹ 10 each. As on the date of this Placement Document, our Company's issued, subscribed and paid-up capital is ₹ 18,17,55,310 divided into 1,81,75,531 Equity Shares of ₹ 10 each. The Equity Shares are listed on the Stock Exchanges.

The security identification codes for the Equity Shares are as follows:

ISIN	INE665J01013
BSE Code	534976
NSE Symbol	VMART

Articles

Our Company is governed by its Articles.

Dividends

The Articles provide that dividend may be paid upon a recommendation of the Board and approval by a majority of the Shareholders, who shall not increase the amount of the dividend recommended by the Board. However, the Board is not under an obligation to recommend a dividend. According to the Articles, the dividend shall be paid in proportion to the amount paid up or credited as paid up on each share where a larger amount is paid up or credited as paid up on some shares than on others, but where capital is paid up in advance of calls carrying interest, such capital whilst carrying interest shall not confer a right to participate in profits or dividend. No dividend shall be payable except out of the profits of our Company of any year or other period and no dividend shall carry any interest against our Company. The profit transferred from capital reserve to general reserve and available for distribution to shareholders shall be taken into account for declaration and payment of dividend. The Directors may declare interim dividend as justified by the position of our Company. A transfer shall not pass the right to any dividend declared thereon before the registration of such transfer. No Shareholder shall be entitled to receive payment of any interest or dividend while any money may be due or owing from him to our Company in respect of any shares held by him and the Directors may deduct all the money so due from him from the dividends or interest payable to him. Unless otherwise directed, any dividend may be paid by cheque or by warrant or by a payslip or receipt having force of cheque or warrant sent through post to the registered address of the Shareholder and in the case of joint holders to any one of them first named in the register of Shareholders; and our Company shall not be liable for cheque or warrant or dividend lost in transmission or lost due to forged endorsement or fraudulent recovery.

Capitalization of Profits

The Articles provide that any general meeting, upon recommendation of the Directors, may resolve that any moneys, investments or other assets forming a part of our Company's undivided profit for the time being, standing to the credit of the reserve fund, or to the credit of profit and loss account or any capital redemption reserve account, or in the hands of our Company and available for distribution as dividend or any amount standing to the credit of the share premium account be capitalised. The capitalization may be done among Shareholders in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such Shareholders in paying up in full either at par or at premium, any unissued shares or debentures of our Company which shall be distributed or directed towards payment of the uncalled liability on any issued shares or debentures, and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest.

Pre-Emptive Rights and Alteration of Share Capital

The Articles provide that where it is proposed to increase the subscribed capital of our Company by allotment of further shares, such shares shall be offered to the persons who, at the date of the offer, hold shares of our Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date, and such offer shall be made by a notice specifying the number of shares offered and limited to a time period, not being less than 15 days from the date of the offer which shall be deemed to include the right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. If the offer is not accepted, it is deemed to have been declined. The Board is authorised to distribute any new shares not subscribed for by the pre-emptive rights holders in the manner that it deems most beneficial to our Company.

The Articles provide that our Company may from time to time by a special resolution, subject to confirmation by court, reduce its capital in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called up again or otherwise. Except as so far otherwise provided by the conditions of the issue or by the Articles any capital raised by the creation of new shares shall be considered as a part of the existing capital. Our Company has the power to modify rights and privileges attached to a class of shares with the consent of the holders of three-fourths of that class in writing or with the sanction of a special resolution passed at a separate meeting of the shareholders of that class and supported by the votes of holders of at least three-fourths of such shares.

The Articles provide that our Company may from time to time, in a general meeting:

- sub-divide or consolidate all of our shares or any of them and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others; and

- cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled.

General Meetings of Shareholders

Our Company is required to hold an annual general meeting AGM every fifteen months in addition to any other general meetings, unless the Registrar of Companies shall have for any special reasons extended the time for holding any AGM for a period not exceeding 6 months. The AGM shall be held by the Company within nine months from the expiry of each financial year. Not less than 21 days' notice in writing of a general meeting is to be given, but shorter notice may be given if consent in writing is accorded by all the members entitled to vote and in case of any other meetings, with the consent of members holding not less than 95 per cent of such part of the paid-up share capital of our Company which gives a right to vote at the meeting. No meeting shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it was convened. Every Shareholder is entitled to attend a meeting and vote either in person or by proxy. All businesses to be transacted at an AGM shall be deemed special except the consideration of accounts, balance sheet and reports of the Board and Auditors, declaration of dividend, appointment of Directors in place of those retiring, the appointment of and fixation of remuneration of the Auditors. In case of an extraordinary general meeting EGM all business is deemed special. A statement setting out all material facts, including the nature of concern or interest, financial or otherwise in respect of every Director, in respect of special business to be transacted at the meeting, shall be annexed to the notice. The Board may also call an EGM whenever it thinks fit and it shall do so upon a requisition in writing by any Shareholder(s) holding in aggregate not less than one-tenth of the issued and paid-up capital upon which all calls or other sums then due have been paid.

The Articles provide that any accidental omission to give notice or any non-receipt of notice shall not invalidate the proceedings at a meeting. Where any resolution requires special notice, notice of the intention to move the resolution should be given to our Company by such number of members not less than one percent of total voting power that has been paid-up and our Company shall immediately on receipt of the notice of intention give its members notice of the resolution in the same manner as it gives notice of the meeting. The quorum requirements for a general meeting are as prescribed under Section 103 of the Companies Act, 2013. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine and if at such adjourned meeting, a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.

The Articles further provide that no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. The meetings should be convened in the presence of a chairman. A resolution put to vote shall be decided on a show of hands, unless a poll is ordered to be taken by the chairman. At every AGM of our Company there shall be laid before the meeting, the Directors' report and audited statement of accounts, Auditor's report, proxies and the register of Directors' shareholding and a register of contracts or arrangements in which the Directors and key managerial personnel is interested as required under Section 170 of the Companies Act, 2013. Minutes of the AGM are to be maintained and shall be evidence of the proceedings recorded therein.

Voting Rights

Every Shareholder present in person shall have one vote on a show of hands, and on poll, the Shareholder present in person or by proxy shall have voting rights in proportion to his share of the paid-up capital of our Company held by him, subject to any rights or restrictions for the time being attached to any class or classes of shares. If any Shareholder be of unsound mind, he may vote, in respect of his shares whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or other legal guardian may, on a poll, vote by proxy.

The instrument appointing a proxy and the power of attorney (or other authority, if any) under which it is signed is required to be lodged at the registered office at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death of the principal or revocation of the proxy, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer of the share shall have been received by our Company at the registered office before the meeting. Further, no Shareholder shall be entitled to exercise any voting right personally or by proxy at any meeting of our Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid. No objection to the validity of a vote shall be made except during the meeting or poll and every vote not disallowed shall be deemed valid for all purposes of such meeting or poll. The Chairman of the meeting shall be the judge of the validity of the vote.

Register of Shareholders

Our Company is required to maintain a register of members wherein the particulars of the Shareholders are entered. For the purpose of determining the Shareholders, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board may deem expedient.

Annual Report and Financial Results

The annual report must be presented at the AGM. The report includes financial information, a corporate governance section and management's discussion and analysis and is sent to the company's shareholders.

Under the Companies Act, we must file our balance sheet and profit and loss account with the Registrar of Companies within thirty days from the date of the AGM. As required under the listing agreements with the Stock Exchanges, copies are required to be simultaneously sent to the stock exchanges on which the shares are listed. We must also publish our financial results within 48 hours of the conclusion of the Board or committee meeting in which the financial results were approved in at least one English language daily newspaper circulating in the whole or substantially the whole of India and also in a daily newspaper published in the language of the region of the Registered Office (*i.e.*, Hindi).

Directors

The Articles provide that the number of Directors shall not be less than three and not be more than 12. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act and the Articles. Two-thirds of the total number of Directors is subject to retirement by rotation. Of such Directors, one-third, or if their number is not three or multiples of three, then the number nearest to one-third, must retire every year. The Directors to retire are those who have been the longest in office.

As provided under Section 161 of the Companies Act, 2013, the Director may be appointed by the Board or by the general meeting of the Shareholders. The Directors have the power to appoint any other persons as an additional Director but any Director so appointed shall hold office only up to the date of the next following AGM of our Company but the total number of Directors shall not at any time exceed the maximum strength. The Board shall also have the power to appoint any person to act as an alternate Director for a Director during the latter's absence for a period of not less than three months from the state in which the meetings of the Board are normally held. The alternate Director shall vacate the office if and when the original Director returns to the State of Bombay and in case the office of the original Director is determined before he returns, the provisions of the Companies Act, 2013, and the Articles for automatic reappointment shall apply to the original Director and not the alternate Director.

The quorum for meetings of the Board is one-third of the total number of Directors (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher. However, where the number of interested Directors is equal to or exceeds two-thirds of total strength, the remaining number of Directors (i.e. Directors who are not interested) present at the meeting, shall be the quorum during such time.

Transfer of Equity Shares

The Equity Shares held through Depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide the regime for the functioning of the Depositories and the Depository participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of the Equity Shares held through a Depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the National Securities Depository Limited and the Central Depository Services India Limited. The SEBI requires that the Equity Shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the Stock Exchange.

Pursuant to the Equity Listing Agreement, in the event our Company has not affected the transfer of Equity Shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the loss of opportunity caused during the period of the delay. The Equity Shares are freely transferable.

Acquisition by our Company of its own Equity Shares

According to the Articles, the Company may purchase its own shares within the terms and framework of the Companies Act, after following such rules and guidelines as may be prescribed from time to time for this purpose.

Liquidation Rights

Subject to the rights of creditors, of employees and of the holders of any other shares entitled by their terms of issue to preferential repayment over the shares, in the event of a winding-up of our Company, the holders of the Equity Shares are entitled to be repaid the amounts of capital paid up or credited as paid up on such shares or in case of a shortfall, proportionately. All surplus assets after payments due to employees, the holders of any preference shares and other creditors belong to the holders of the ordinary shares in proportion to the amount paid up or credited as paid up on such shares, respectively, at the commencement of the winding-up.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
V-Mart Retail Limited
Plot No. 862, Udyog Vihar,
Industrial Area Phase V,
Gurgaon -122016, HaryanaIndia

Dear Sirs,

Statement of Possible Tax Benefits available to V-Mart Retail Limited ("the Company") and its shareholders under the Indian direct tax laws

1. We hereby confirm that the enclosed Annexure, prepared by V-Mart Retail Limited ('the Company') provides the possible tax benefits available to the Company and its shareholders as stated in Annexure 1, under the provisions of the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2020 read with the Income-tax Rules, 1962, i.e. applicable for the Financial Year 2020-21 relevant to the assessment year 2021-22 (referred to as 'the Direct Tax Law'). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Direct Tax Law. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed Annexure is not exhaustive and the preparation of the contents stated in the Annexure is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Direct Tax Laws, each investor is advised to consult his or her tax consultant with respect to the specific tax implications arising out of their participation in the proposed offering of equity shares of face value Rs 10 each by the Company in a Qualified Institutions Placement (the "Offering") in accordance with the provisions of Chapter Vl of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBl ICDR Regulations") filed by the Company with the National Stock Exchange of India Limited, BSE Limited and the Securities and Exchange Board of India ("SEBI"). We are neither suggesting nor advising the investors to invest inthe Offering relying on this statement.

3. We do not express any opinion or provide any assurance as to whether:
   - the Company or its shareholders will obtain/ continue to obtain these tax benefits in future; or
   - the conditions prescribed for availing the tax benefits have been / would be met with; and
   - the revenue authorities / courts will concur with the views expressed herein.

   We assume no obligation to update the Annexure on any events subsequent to this date, which may have a material effect on the discussions herein.

4. The contents of the enclosed Annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

5. This statement is prepared solely for inclusion in the Placement Document (PD)in connection with proposed offering of equity shares of face value Rs 10 each by the Company in a Qualified Institutions Placement in accordance with the provisions of Chapter Vl of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBl ICDR Regulations") filed by the Company with the National Stock Exchange of India Limited, BSE Limited and the Securities and Exchange Board of India ("SEBI"), as amended and is not to be used, referred to or distributed for any other purpose.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Vikas Mehra
Partner
Membership No. 094421
UDIN: 21094421AAAAAX5783

Date: February 2, 2021
Place: New Delhi

ANNEXURE TO THE STATEMENT OF TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Under the Income Tax Act, 1961 (herein after referred to as 'the Act'), as amended by the Finance Act, 2020, applicable for the Financial Year ('FY') 2020-21 relevant to Assessment Year ('AY') 2021-22[1]

The information provided below sets out the possible tax benefits available to the Company and its Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

You should consult your own tax advisors concerning the Indian tax implications and consequences of purchasing, owning and disposing of equity shares in your particular situation.

1. **SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY UNDER THE ACT**

   1.1 No Special Tax benefits available to the Company

2. **GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY UNDER THE ACT**

   The following benefits are available to the Company after fulfilling conditions as per the applicable provisions of the Act:

2.1 Benefit of lower rate of tax under Section 115BAA of the Act and corresponding exemption from applicability of Minimum Alternate tax ('MAT') provisions under section 115JB of the Act As per The Taxation Law (Amendment) Act,2019 No.46 of 2019, a new section 115BAA has been introduced in the Act which provides for an option to domestic companies to opt for reduced rate of corporate taxes subject to certain conditions specified therein. The said section provides that, with effect from financial year 2019-20, all domestic companies shall have an option to pay income tax at the rate of 22% (plus 10% surcharge and 4% cess), subject to the condition that they will not avail specified tax exemptions or incentives as specified in sub-clause 2(i) of section 115BAA of the Act Proviso to section 115BAA(4) provides that once the Company opts for paying pay tax as per section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other previous year.

The Company has already exercised the above option to avail benefit of lower tax rate with effect from FY 2019-20.

2.2 **Benefits on distributed income**

2.2.1 **Section 10(34) of the Act – Income by way of dividends referred to in section 115-O**

As per amendment vide Finance Act, 2020 with effect from 1 April 2020, dividend income is taxable in the hands of shareholders at the applicable rates and the domestic company or specified company or mutual funds is not required to pay dividend distribution tax.

Deduction of interest expense can be claimed against such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

Further, deduction of dividend distributed by the Company to its shareholders is also allowed as deduction under section 80M of the Act against dividend income received by it.

Section 10(34A) of the Act - Income from buy back of shares

Income arising to the Company, on account of buy back of shares by a company as referred to in section 115QA of the Act will be exempt from tax under section 10(34A) of the Act. In such cases, the company buying back the shares is liable to pay additional tax at the rate of 20% (plus applicable

- [1] Impact of Budget 2021 has not been considered since the same is yet at proposal stage and the Finance Act has not been enacted surcharge and cess) on distributed income being difference between consideration paid by the company on buy back of shares and the amount received by the company for issue of shares, determined in the manner as may be prescribed.

In view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning such exempt income shall not be tax deductible.

2.3 Benefits while computing Profits and Gains of Business or Profession

2.3.1 Section 36(1)(vii) of the Act – Allowance of bad debts written off

Under section 36(1)(vii), any bad debt or part thereof which has been written off as irrecoverable in the books of accounts is allowable as a deduction for computing the income under the head "Profits and gains of business or profession", subject to the fulfilment of the conditions as specified in section 36(2) read with section 36(1)(vii) of the Act.

The Company shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 2.1 above.

2.3.2 Section 80JJAA – Deduction of additional employee cost

The Company is eligible to claim an additional deduction of 30 per cent of additional employee cost incurred in the previous year, for three consecutive assessment years. This deduction is subject to the satisfaction of prescribed conditions under section 80JJAA of the Act while computing total income of the Company.

The Company shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 2.1 above.

2.3.3 Section 35D- Amortisation of certain preliminary expenses

The Company will be entitled to amortise certain preliminary expenditure, specified under section 35D(2) of the Act, subject to the limit specified in Section 35D(3) of the Act. The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive assessment years beginning with the assessment year in which the business commences.

2.3.4 Section 32 Depreciation

The depreciation rates in respect of Motor Cars, Plant and Machinery and Office Equipment is 15%, furniture & fittings and Electrical Equipment is 10%, Intangible assets is 25%, Computers 40%, Buildings (Residential) is 5% and Buildings (Others) is 10%.

2.3.5 Other Deductions

A deduction equal to 100% or 50%, as the case may be, on sums paid as donations to certain specified entities is allowable as per section 80G of the Act while computing the total income of the Company.

A deduction amounting to 100% of any sum contributed to a political party or an electoral trust, otherwise than by way of cash, is allowable under section 80GGB of the Act while computing total income of the Company.

The Company shall continue to be entitled for the above deductions even if it opts for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 2.1 above.

However, as per Finance Act, 2020 the provision of section 115BAA does not allow deduction under any provision of Chapter VI-A other than section 80JJAA or Section 80M, in case of domestic companies opting for taxation under this section with effect from AY 2021-22.

2.4 Capital gains

2.4.1 **Taxability of long term capital gains under section 112A of the Act**

As per section 2(42A) of the Act, a security (other than a unit) listed on a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond will be considered short term capital asset, if the period of holding of such share, unit or security is twelve (12) months or less. If such security is held for a period of more than 12 months, the same will be considered as long-term capital asset.

Section 112A of the Act provides for taxability of long term capital gains (exceeding Rs. 1,00,000) from equity shares, equity oriented mutual fund units and units of a business trust, if Securities Transaction Tax ('STT') has been paid on both acquisition and transfer in case of equity shares and STT has been paid on transfer in case of units of equity-oriented mutual funds or units of business trust.

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated 1 October 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:
(a) share acquisitions undertaken prior to October 1, 2004
(b) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

To arrive at the amount of Capital Gains, section 48 of the Act provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of the aforesaid capital assets referred to in section 112A, from the sale consideration. For the purpose of computing the long-term capital gains taxable under section 112A, the Company shall not be entitled for benefit of indexation under the second proviso to section 48 of the Act.

Separately, section 55(2)(ac) provides that cost of acquisition of the specified capital asset (referred to in the aforesaid section 112A of the Act) acquired prior to 1 February 2018, shall be higher of –
(a) Cost of acquisition of asset; and
(b) Lower of –
a. the fair market value of the asset (as defined in Explanation to section 55(2)(ac)); and
b. the full value of consideration received or accruing as a result of the transfer of the capital asset.

For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognised stock exchange on 31 January 2018.

The long-term capital gains computed as above under section 112A shall be taxable at the concessional rate of 10% (plus applicable surcharge and cess).

2.4.2 **Taxability of short-term capital gains under section 111A of the Act**

As per the provisions of section 111A of the Act, any income arising from transfer of a short term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of an eligible business trust, transacted through a recognized stock exchange and subject to STT, shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

2.4.3 **Taxability of capital gains (other than the gains covered above in para 2.4.1 and 2.4.2)**

Shares of a company (other than those listed on a recognised stock exchange) and immovable property being land or building or both will be considered short term capital assets, if the period of holding of such shares, land or building or both is twenty four (24) months or less. A zero-coupon bond will be considered short term capital asset, if the period of holding is twelve (12) months or less.

In respect of all other capital assets, the same shall be considered as short-term capital asset if they are held for a period of thirty six (36) months or less.

In case the capital assets are held for more than the respective periods specified above, the same will be considered as long-term capital asset.

Section 48 of the Act provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration, to arrive at the amount of Capital Gains. However, in respect of long term capital gains, section 48 provides for substitution of cost of acquisition/ improvement with indexed cost of acquisition/ improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time. Such indexation benefit would not be available on bonds and debentures.

As per the provisions of section 112(1)(d) of the Act, gains arising on the transfer of long-term capital assets shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112 of the Act, the tax on long term capital gains resulting on transfer of listed securities (other than those covered under section 112A) and Zero-Coupon Bonds shall be the lower of the following:
a. 20% (plus applicable surcharge and cess) with indexation benefit; or
b. 10% (plus applicable surcharge and cess) without indexation benefit.

The short-term capital gains are chargeable to tax at a normal tax rate (plus applicable surcharge and cess).

2.5 Set-off of capital loss

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

As per section 70 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

As per Section 71 of the Act, short term capital loss or long term capital loss for the year cannot be set-off against income under any other heads for the same year

2.6 Income from House property

Under Section 24 of Income Tax Act a sum equal to 30% of the Annual Value is allowed as Standard Deduction. This 30% is allowed as deduction irrespective of actual expenditure.

2.7 Section 115-O of the Act - Tax on distributed profits of domestic companies

Finance Act 2020, with effect from AY 2021-22 has abolished dividend distribution tax under section 115-O of the Act on distribution of dividend. Such dividend is taxable in the hands of the shareholders.

3. GENERAL TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE COMPANY

The following tax benefits are generally available to the shareholders of all companies subject to the fulfilment of the conditions specified in the Act:

3.1.1 For resident shareholders:

As per amendment vide Finance Act, 2020 with effect from 1 April 2020, dividend income is taxable in the hands of shareholders at the applicable rates and the domestic company or specified company or mutual funds is not required to pay dividend distribution tax.

Deduction of interest expense can be claimed against such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

Further, as per the Finance Act, 2020, that the company shall be liable to withhold taxes @ 10% on dividend exceeding Rs 5,000 in a financial year paid by any mode other than cash to resident shareholders.

Income arising from transfer of shares of the company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) from of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares.

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated 1 October 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

(a) share acquisitions undertaken prior to October 1, 2004

(b) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 55(2)(ac) of the Act, cost of acquisition of equity shares (referred in aforesaid section 112A of the Act) acquired prior to 1 February 2018, shall be higher of –
(a)Cost of acquisition of asset; and
(b) Lower of –
a. the fair market value of the asset (as defined in Explanation to section 55(2)(ac)); and
b. the full value of consideration received or accruing as a result of the transfer of the capital asset.

For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognised stock exchange on 31 January 2018.

As per section 112 of the Act, the long-term capital gains arising to the shareholders of the Company from the transfer of shares of the Company held as investments, not covered under point 3.1.3 above, shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) of the capital gains computed after indexing the cost of acquisition/ improvement or at the rate of 10% (plus applicable surcharge and cess) of the capital gains computed before indexing the cost of acquisition/ improvement, whichever is lower.

In case of an individual or Hindu Undivided Family (HUF), where the total taxable income as reduced by long-term capital gains is below the basic exemption limit, such long-term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be subjected to such tax in accordance with the proviso to section 112A(1) and proviso section 112(1) of the Act.

Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of section 111A of the Act if such transaction is chargeable to securities transaction tax. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre and where the consideration for such transactions is payable in foreign currency.

In case of an individual or HUF, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 111A of the Act.

In accordance with, and subject to the conditions including ownership of not more than one residential house on the date of transfer (other than the new residential house referred hereinafter) and to the extent specified in section 54F of the Act, long term capital gains arising on transfer of the shares of the company shall be exempt from capital gains under section 54F, if the net sale consideration is utilised, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilised for construction of a residential house within three years. If the whole of the net sale consideration is not so utilised, the exemption shall be allowed on a pro rata basis.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains (short term capital gains or long term capital gains) arising during subsequent eight assessment years.

As per section 70 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

As per Section 71 of the Act, short term capital loss or long term capital loss for the year cannot be set-off against income under any other heads for the same year.

Where the gains arising on the transfer of shares of the Company are included in the business income of an assessee assessable under the head “Profits and Gains from Business or Profession” and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act. The characterisation of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various other factors.

3.1.2 **For non-resident shareholders [including Foreign Portfolio Investors (‘FPIs’)/ Foreign Institutional Investors (‘FIIs’)]**

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Agreement for Avoidance of Double Taxation (‘AADT’) between India and the country of tax residence of the non-resident or the provisions of the Act, to the extent they are more beneficial to the non-resident.

As per amendment vide Finance Act, 2020 with effect from 1 April 2020, dividend income is taxable in the hands of shareholders at the applicable rates and the domestic company or specified company or mutual funds is not required to pay dividend distribution tax.

Deduction of interest expense can be claimed against such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

Further, as per the Finance Act, 2020, that the company shall be liable to withhold taxes at applicable rates on dividend paid to non-resident shareholders.

Income arising from transfer of shares of the company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. Assets not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) from of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares.

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated 1 October 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:
(a) share acquisitions undertaken prior to October 1, 2004
(b) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 55(2)(ac) of the Act, cost of acquisition of equity shares (referred in aforesaid section 112A of the Act) acquired prior to 1 February 2018, shall be higher of –
(a) Cost of acquisition of asset; and
(b) Lower of –
  a. the fair market value of the asset (as defined in Explanation to section 55(2)(ac)); and
  b. the full value of consideration received or accruing as a result of the transfer of the capital asset.

For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognised stock exchange on 31 January 2018.

The long-term capital gains arising to the shareholders of the Company from the transfer of equity shares of the Company held as investments, not covered above shall be taxable as follows:
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- Where the equity shares of the Company are acquired in convertible foreign exchange, the same shall be taxable at the rate of 10% on the amount of capital gains computed as stated in the below paras;

- Where the equity shares of the Company are acquired in INR, the same shall be taxable at the rate of 20% (plus applicable surcharge and cess) on the amount of capital gains computed after considering the indexation benefit provided under second proviso to section 48 or at the rate of 10% on the amount of capital gains computed before indexing the cost of acquisition/ improvement, whichever is lower.

In accordance with, and subject to section 48 of the Act read with Rule 115A of the Income Tax Rules,1962 ('Rules') capital gains arising on transfer of shares of the Company which are acquired in convertible foreign exchange and not covered above shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/ arising from every reinvestment thereafter.

Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of section 111A of the Act if such transaction is chargeable to STT. The requirement of chargeability to STT is not applicable to certain transactions specified in second proviso to Section 111A.

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains (short term capital gains or long term capital gains) arising during subsequent eight assessment years.

As per section 70 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

As per Section 71 of the Act, short term capital loss or long term capital loss for the year cannot be set-off against income under any other heads for the same year.

Where the gains arising on the transfer of shares of the Company are included in the business income of an assessee assessable under the head "Profits and Gains from Business or Profession" and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of section 36(1)(xv) of the Act.

As per Explanation 4 to section 115JB(2), the provisions of section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a permanent establishment within the definition of the term in the relevant AADT, or the foreign company is a resident of a country which does not have a AADT with India and such foreign company is not required to seek registration under section 592 of the Companies Act 1956 or section 380 of the Companies Act 2013.

In respect of foreign companies which are not exempt from MAT provisions, capital gains (whether long term or short term) arising on transactions in securities will need to be adjusted / reduced (if such income is credited to Profit and Loss account and tax payable on such capital gains income under normal provisions is less than the MAT rate of 15%) from the book profits while computing MAT under section 115JB of the Act. Consequently, corresponding expenses shall also be excluded while computing MAT.

3.1.3 **Specific Provisions Applicable to FPIs and FIIs:**

As per section 2(14) of the Act, transfer of any shares/ securities by FPIs/ FII being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be treated as Capital assets.

As per section 196D(2) of the Act, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares referred to in section 115AD of the Act, payable to FIIs.

However, ss per the amended provisions of section 115AD of the Act, the long-term capital gains to an FPI/ FII arising from transfer of long term capital asset referred to in section 112A of the Act shall be liable to tax at the rate of 10% on such income exceeding Rs. 1,00,000.

Under section 115AD(1)(ii) of the Act, income by way of short term capital gains arising to the FPI/ FII on transfer of shares of the Company shall be chargeable at a rate of 30% (plus applicable surcharge and cess) where such transactions are not subjected to STT and at the rate of 15% (plus applicable surcharge and cess) if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT.

Under section 115AD(1)(iii) of the Act income by way of long term capital gains arising to an FPI/ FII from the transfer of shares held in the Company (other than those taxable under section 112A of the Act) shall be taxable at the rate of 10% (plus applicable surcharge and cess). The benefits of foreign currency fluctuations and of indexation of cost as per first and second proviso to section 48 of the Act are not available to FPIs/ FIIs.

3.1.4 **For non-resident shareholders being Non-Resident Indians (NRIs)**

Besides the above benefits available to non-residents, NRIs have the option of being governed by the provisions of Chapter XII-A of the Act which inter alia entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange:

a) Under section 115E of the Act, NRIs will be taxed at 10% (plus applicable surcharge and cess) on long-term capital gains arising on sale of shares of the Company which are acquired in convertible foreign exchange.

b) Under section 115F of the Act, and subject to the conditions and to the extent specified therein, long-term capital gains arising to NRIs from transfer of shares of the Company acquired out of convertible foreign exchange shall be exempt from capital gains tax if the net consideration is invested within 6 months of the date of transfer of the asset in any specified asset or in any saving certificates referred to in clause (4B) of section 10 of the Act. In case the whole of the net consideration is not so invested, the exemption shall be allowed on a pro rata basis.

c) In accordance with the provisions of section 115G of the Act, NRIs are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

d) In accordance with the provisions of section 115H of the Act, when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.

e) As per the provisions of section 115-I of the Act, NRIs may elect not to be governed by the provisions of Chapter XIIA for any assessment year by furnishing their return of income for that year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly their total income for that assessment year will be computed in accordance with the other provisions of the Act. The said Chapter, inter alia, entitles NRIs to the benefits stated thereunder in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange.

3.1.5 **For shareholders who are Mutual Funds:**

Under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

As per section 196 of the Act, no tax is to be deducted from any income payable to a Mutual Fund specified under section 10(23D) of the Act.

3.1.6 **For Venture Capital Companies/ Funds:**

Under Section 10(23FB) of the Act, any income of Venture Capital Company to whom the certificate of registration is granted under SEBI (Venture Capital Funds) Regulations, 1996 before 21 May 2012 or as a sub-category I Alternative Investment Fund and is regulated under SEBI (Alternative Investment Funds Regulations) 2012, under the SEBI Act, 1992, from a Venture Capital Undertaking would be exempt from income tax, subject to conditions specified therein.

As per Section 115U of the Act, any income derived by a person from his investment in Venture Capital Company/ Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing or arising to or received by such person had the investments been made directly in the Venture Capital Undertaking.

3.1.7 **For Investment Funds:**

Income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration is granted under and is regulated under SEBI (Alternative Investment Funds Regulations), 2012 as Category I or Category II Alternate Investment Fund, other than the income chargeable under the head ‘profits and gains of business and profession’, shall be exempt from tax under 10(23FBA).

As per Section 115UB of the Act, any income derived by a person from his investment in an Investment Fund covered under section 10(23FBA), other than that proportion which is of the same nature as ‘profits and gains of business and profession’, would be taxable in the hands of the person making such investment in the same manner as if it were the income accruing or arising to or received by such person had the investments made by the Investment Fund been made directly by him.

4. **SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS UNDER THE ACT**

4.1 No Special Tax benefits available to the Shareholders

5. **OTHER PROVISIONS**

No income tax is deductible at source from income by way of capital gains arising to a resident shareholder under the present provisions of the Act. However, as per the provisions of Section 195 of the Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rate under the domestic tax laws or under the AADT, whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities. However, the non- resident investor will have to furnish a certificate of his being a tax resident in a country outside India and a suitable declaration for not having a fixed base/ permanent establishment in India, to get the benefit of the applicable AADT and such other document as may be prescribed as per the provision of section 90(4) of Act.

Pursuant to amendment in section 206AA of the Act read with Rule 37BC of Rules, requirement of quoting permanent account number (PAN) in case of certain specified income is eliminated by maintaining specified documents as mentioned in the said Rule.

For and on behalf of
V Mart Retail Limited

Anand Agarwal
Chief Financial Officer

Place: Gurgaon
Date: February 2, 2021

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. The Company has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2019-20 and accordingly, the special direct tax benefits, available for Financial Year 2020-21, are captured to the extent the same are relevant to a Company exercising such option.

4. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2021-22. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.

5. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.

7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, civil suits, criminal proceedings, regulatory proceedings and tax disputes pending before various authorities. These legal proceedings may have been initiated by us or by customers, regulators, or other parties, and are pending at different levels of adjudication before various courts, quasi-judicial bodies, tribunals, enquiry officers and appellate tribunals.

There is no outstanding legal proceeding which has been considered material in accordance with our Company's "Policy for Determination of Materiality of any Event / Information" framed in accordance with Regulation 30 of the SEBI Listing Regulations.

*Our Company has, in accordance with the resolution passed by our Board on January 28, 2021 solely for the purpose of this Issue, disclosed in this section (i) all outstanding criminal litigation involving our Company; (ii) all outstanding civil litigation and tax proceedings involving our Company which involve an amount equivalent to or above ₹ 49.35 lakh which is approximately 1 % of the profit for the year of our Company as per the audited financial statements of our Company as of and for the financial year ended March 31, 2020 ("**Materiality Threshold**"); (iii) all outstanding actions by statutory or regulatory authorities involving any of our Company; (iv) any other outstanding litigations involving our Company where the monetary sum involved is not quantifiable or is below the Materiality Threshold, where an adverse outcome would, in the opinion of the Board, materially and adversely affect the business, operations, prospects, reputation or financial position of our Company, and (v) any litigations involving the Directors and Promoters of our Company, an adverse outcome in which shall have a material impact on the Company.*

Further, other than as disclosed in this section, (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Placement Document involving our Company, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company; (iii) there are no defaults in repayment of (a) undisputed statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Directors and/or our Promoters from third parties (excluding statutory / regulatory / governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

I. Litigation involving our Company

Criminal proceedings involving our Company

Against our Company

1. Officials of the Town Police Station, Aurangabad ("**Police**") sealed a store of our Company located in Aurangabad on May 27, 2020 and filed a first information report against Alok Kumar and Pappu Kumar, who are both officials of our Company, for an alleged violation of an order dated February 25, 2020 issued

by the District Magistrate, Aurangabad imposing a lock-down in view of the COVID-19 pandemic. Aggrieved by the same, our Company filed an application before the Court of the Chief Judicial Magistrate, Aurangabad ("**Magistrate**"), seeking the release of the sealed store to our Company. The Magistrate, *vide* an order dated June 16, 2020, directed the Police to release the sealed store upon the execution of an indemnity by our Company, pursuant to which, in the event the trial court comes to a conclusion that the store is to be re-deposited, we shall comply with the same without objection. Our Company filed an indemnity bond with the Magistrate, and *vide* an order dated Jun 17, 2020, the Magistrate has directed that our store be released. The matter is currently pending.

2. Officials of the Town Police Station, Darbhanga ("**Police**") sealed a store of our Company located in Darbhanga on July 10, 2020 and filed a first information report against Vishwas Kumar, the manager of the store, for an alleged violation of an order dated July 6, 2020 issued by the District Magistrate, Darbhanga imposing a lock-down in view of the COVID-19 pandemic. Aggrieved by the same, our Company filed a petition before the Court of the Chief Judicial Magistrate, Darbhanga ("**Magistrate**"), seeking the release of the sealed store to our Company. The Magistrate, *vide* an order dated August 22, 2020, directed the Police to release the sealed store. The matter is currently pending.

By our Company

Our Company has lodged seven criminal complaints and first information reports before various police stations against several persons, alleging the misappropriation or theft of cash or stocks from our stores. The matters are currently pending, at various stages of adjudication.

Civil proceedings involving our Company

Against our Company

Bhag Chand Lakhani, Pawan Kumar Lakhani and Vivek Kumar Lakhani (collectively, the "**Plaintiffs**") have filed a suit (the "**Suit**") against our Company before the Additional District Judge 9, Lucknow ("**Court**"), seeking the eviction of our Company from a premises owned by them. Our Company had leased a property from the Plaintiffs pursuant to a memorandum of understanding dated June 7, 2018. The Plaintiffs have alleged that our Company has been irregular in the payment of rent for the premises, and have accordingly filed the Suit, seeking *inter alia* (i) that our Company is ejected from the premises, (ii) an aggregate sum of ₹ 31.48 lakh, including arrears in rent and damages, and (iii) mesne profits of ₹ 5.00 lakh per month in mesne profits, with effect from September 2020, until our Company vacates the premises. Our Company has filed an application before the Court, seeking that the case be referred to arbitration. The matter is currently pending.

By our Company

1. Out Company has filed an intervention application ("**Application**") before the National Company Law Appellate Tribunal, New Delhi ("**NCLAT**"), seeking to be impleaded in an ongoing matter involving Infrastructure Leasing and Financial Services Limited ("**IL&FS**") and certain others. On June 19, 2018, our Company had invested ₹ 979.95 lakh in a commercial paper issued by LF&FS, which assured a return of ₹ 1,000.00 lakh upon its maturity on September 18, 2018. However, such sum was not repaid to our Company upon maturity of the commercial paper. Separately, a resolution process was initiated against IL&FS before the NCLT regarding certain other defaults committed by it, an appeal in relation to which was filed before the NCLAT. As part of such proceedings, the NCLAT, through an interim order dated October 15, 2018 ("**Moratorium Order**"), *inter alia* granted a stay on the invocation of any commercial paper issued by IL&FS, whether for the principal amount or any interest thereon, because of which our Company was unable to enforce its claims for repayment of the amount owed to it upon maturity of the commercial paper. *Vide* an order dated February 4, 2019, the NCLAT invited intervention applications from the financial and operational creditors of IL&FS. Relying on the same, our Company has filed the Application, seeking *inter alia* (i) that we are impleaded in as a necessary party to the ongoing resolution process against IL&FS and the appeal being heard by the NCLAT, and (ii) that the Moratarium Order is vacated. The matter is currently pending.

2. Our Company has filed a writ petition ("**Petition**") before the High Court of Judicature at Lucknow ("**Lucknow High Court**") against the State of Uttar Pradesh and Madhyanchal Vidyut Vitran Nigam Limited ("**MVVNL**"), challenging an electricity bill due on June 17, 2020 ("**Bill**") issued by MVVNL. Our Company operates a shop in Gonda on land leased from one Vinod Kumar Singh. The electricity

connection for the same is sanctioned in the name of Suraj Singh, and our Company has been paying electricity bills for the premises since February 2010. On February 28, 2014, MVVNL installed a meter in the premises, and a meter factor of 2 was fed into the system of the meter. For the period between 2014 and 2018, electricity bills were charged in accordance with this meter factor. However, MVVNL thereafter claimed that the same was erroneous and a meter factor of 4 should be used instead, and by way of the Bill, MVVNL sought a sum of ₹ 62.79 lakh, of which ₹ 1.29 lakh was for current demands, while an aggregate sum of ₹ 61.49 lakh was demanded in arrears for additional charges for the period between 2014 and 2018. While our Company paid electricity charges thereafter on the basis of the revised meter factor, the arrears demanded in the Bill were not paid. Due to the same, the department disconnected electricity supply to the premises on June 21, 2020. Accordingly, our Company has filed the Petition, seeking, *inter alia* (i) that the Bill is quashed, and (ii) that electricity is restored in the premises operated by our Company. The Lucknow High Court, *vide* an interim order dated July 29, 2020, directed our Company to deposit 50% of the amount demanded by the Bill, and MVVNL was directed to restore electricity supply to the premises following the same. Our Company has filed an application before the Lucknow High Court in this regard, seeking that our Company be permitted to deposit a bank guarantee of the relevant amount instead of depositing the actual amounts sought through a cheque or demand draft. The matter is currently pending.

Actions by statutory or regulatory authorities involving our Company

1. The Chief Food Inspector, Food Safety Division, Gonda (the "**Inspector**") has filed a complaint before the Additional Chief Judicial Magistrate, First Class, Gonda against Lalit Agarwal and an employee of our Company. For details of the matter, see "– *Litigation involving our Directors*" at page 248.

2. Our Company has received 34 notices from designated officers for food safety for various locations in which our stores operate, alleging various defects in the food products sold in our stores, including that such products are misbranded or sub-standard, in contravention of the FSS Act. Out of these matters, the relevant food safety authorities have initiated proceedings against our Company in 19 matters before the relevant Additional District Magistrates. In one of these matters, proceedings have also been initiated against several of our Directors. For details, please see "– *Litigation involving our Directors*" on page 248. In four of these matters, the relevant Additional District Magistrate has passed an adverse order against our Company, and our Company has filed an appeal before the jurisdictional Food Safety Appellate Tribunal. The matters are currently pending, at various stages of adjudication.

3. Our Company has received 11 notices from senior controllers of legal metrology offices of various locations in which our stores operate, alleging various defects in the packaging of food products sold in our stores, or alleging that our Company has charged an amount for certain products in excess of the maximum retail price for such products. Out of these matters, our Company has filed petitions in two matters for having the matter compounded. The matters are currently pending, at various stages of adjudication.

4. The labour enforcement officers of various regions in which our stores operate have initiated a total of 16 proceedings against our Company, several of our store managers, and/or Lalit Agarwal or Madan Gopal Agarwal, who are both Executive Directors and Promoters of our Company, for alleged violations of the Minimum Wages Act, 1948 and/or the U. P. Minimum Wages Act, 1952, before the relevant prescribed authority under such legislations ("**Authority**"). Such labour enforcement officers have, upon inspection of various stores of our Company, claimed that our Company has paid wages to our workers which are less than that prescribed under law. In some of these cases, the relevant Authorities have passed *ex parte* orders against our Company, directing our Company to pay compensation to our workers, and in such cases, our Company has filed applications seeking that the orders be recalled. Pursuant to our applications, in certain cases, such *ex parte* orders have been set aside by the relevant Authority and the cases have been restored. The matters are currently pending, at various stages of adjudication.

5. Our Company has received nine notices from fire departments for nine locations in which our stores operate, alleging that our Company has not made adequate fire-fighting arrangements and / or that our Company has not obtained the requisite no objection certificate from such fire departments. In certain of these cases, our Company has made a representation to the relevant fire department, stating that we have installed necessary fire-fighting equipment and seeking an opportunity for a personal hearing. The matters are currently pending.

Tax proceedings involving our Company

Direct Tax

1. The Assistant Commissioner of Income Tax, Circle 7 (2), Kolkata ("**Commissioner**") has passed an assessment order dated December 3, 2019 (the "**Assessment Order**") in relation to our Company for the assessment year 2012-13, claiming that our Company had entered into various high value transactions with shell companies, and added a sum of ₹ 110.23 lakh involved in such transactions to the income of the Company. Pursuant to the same, the Commissioner issued a notice dated December 3, 2019 to our Company, demanding an aggregate sum of ₹ 74.97 lakh from our Company as tax payable in this regard, as well as the applicable interest. Our Company has filed an appeal against the Assessment Order before the Commissioner of Income Tax, Kolkata - 3. The matter is currently pending.

2. The Assistant Commissioner of Income Tax, Circle 7 (2), Kolkata ("**Commissioner**") has passed an assessment order dated December 31, 2019 in relation to our Company for the assessment year 2017-18, disallowing late payments of employees' contribution to provident fund and employees' state insurance, interest paid for delays in payment of income tax and deduction on account of education cess, among others. Pursuant to the same, an additional amount aggregating to ₹ 65.63 lakh was included as part of the assessable income of our Company. Pursuant to the same, the amount to be refunded to our Company from the income tax department was reduced by ₹ 80.20 lakh. The matter is currently pending.

3. The Assistant Commissioner of Income Tax, Circle 78 (1), New Delhi issued a notice dated January 29, 2020 to our Company, demanding an aggregate sum of ₹ 100.90 lakh from our Company for the alleged default on part of our Company to pay several demands linked to our tax deduction and collection account number, including interest for late payment and late filing fees thereon. Our Company has claimed that of this demanded amount, an aggregate of ₹ 36.38 lakh has been deposited by our Company in Fiscal 2009 itself, under our erstwhile name, 'Varin Commercial Private Limited,' and have submitted an application for the rectification of the challan with the Income Tax Officer (TDS), Ward 3(3), Kolkata. The matter is currently pending.

Indirect Tax

The Joint Commissioner of State Taxes, Pataliputra Circle (the "**Patliputra Commissioner**") issued two notices dated November 9, 2019 and December 12, 2019 to our Company, demanding sums of ₹ 161.47 lakh and ₹ 79.93 lakh respectively, inclusive of interest, from our Company in relation to the payment of value added tax for the period between April 1, 2013 and March 31, 2014 under the Bihar Value Added Tax Act, 2005. Further, the Pataliputra Commissioner issued two notices dated December 10, 2019 and December 12, 2019 to our Company, demanding sums of ₹ 160.75 lakh and ₹ 79.57 lakh respectively, inclusive of interest, from our Company in relation to the payment of value added tax for the period between April 1, 2014 and March 31, 2015 under the Bihar Value Added Tax Act, 2005. Our Company filed an application before the Special Commissioner of State Taxes, Patna, challenging each of the notices. The matters are currently pending.

II. Litigation involving our Directors

1. Shahid Hasan Kabir (the "**Complainant**") has filed a criminal complaint against Lalit Agarwal, the Chairman and Managing Director of our Company and one of our Promoters, before the Judicial Magistrate, Aligarh, alleging the commission of offences under the Indian Penal Code, 1860 pertaining to cheating and criminal breach of trust. The Complainant has alleged that they had raised several bills on our Company for the supply of readymade clothes, for an amount aggregating to ₹ 47.12 lakh, of which, an amount of ₹ 7.07 lakh remains pending. The Complainant further alleged that Lalit Agarwal refused to return the pending amount to the Complainant. The matter is currently pending.

2. The Food Safety Officer, Ujjain (the "**FSO**") has filed a charge sheet against our Company, several Directors of our Company, namely Lalit Agarwal, Madan Gopal Agarwal, Aakash Moondhra, Murli Ramachandran and Sonal Mattoo, and our Chief Financial Officer before the Additional District Magistrate, for violation of certain provisions of the FSS Act. The FSO has alleged that our Company had sold 'Pure and Natural Barik Saunf' manufactured by M/s Mohnish Enterprises at its shop in Ujjain, which was, upon analysis, found to be misbranded. The matter is currently pending.

3. The Chief Food Inspector, Food Safety Division, Gonda (the "**Inspector**") has filed a complaint before the Additional Chief Judicial Magistrate, First Class, Gonda against Lalit Agarwal and an employee of our

Company, alleging that during an inspection of our store at Gonda by the Inspector, our Company was unable to show the requisite license for the sale of food as required under the provisions the Prevention of Food Adulteration Act, 1954. The matter is currently pending.

4. The labour enforcement officers of various regions in which our stores operate have initiated certain proceedings against, *inter alia*, Lalit Agarwal or Madan Gopal Agarwal, for alleged violations of the Minimum Wages Act, 1948 and/or the U. P. Minimum Wages Act, 1952, before the relevant prescribed authority under such legislations ("**Authority**"). For details of these matters, see "– *Litigation involving our Company - Actions by statutory or regulatory authorities involving our Company*" at page 247.

III. Litigation involving our Promoters

1. Shahid Hasan Kabir has filed a criminal complaint against Lalit Agarwal before the Judicial Magistrate, Aligarh. For details of the matter, see " – *Litigation involving our Directors*" at page 248.

2. The Food Safety Officer, Ujjain has filed a charge sheet against, *inter alia*, Lalit Agarwal and Madan Gopal Agarwal before the Additional District Magistrate, Ujjain. For details of the matter, see "– *Litigation involving our Directors*" at page 248.

3. The Chief Food Inspector, Food Safety Division, Gonda has filed a complaint before the Additional Chief Judicial Magistrate, First Class, Gonda against, *inter alia*, Lalit Agarwal. For details of the matter, see "– *Litigation involving our Directors*" at page 248.

4. The labour enforcement officers of various regions in which our stores operate have initiated certain proceedings against, *inter alia*, Lalit Agarwal or Madan Gopal Agarwal, for alleged violations of the Minimum Wages Act, 1948 and/or the U. P. Minimum Wages Act, 1952, before the relevant prescribed authority under such legislations ("**Authority**"). For details of these matters, see "– *Litigation involving our Company - Actions by statutory or regulatory authorities involving our Company*" at page 247.

IV. Litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against our Promoters during the last three years

There are no litigations or legal actions pending or taken by any ministry or department of the Government or any statutory authority and there are no directions issued by such ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action against our Promoters during the last three years immediately preceding the year of the issue of this Placement Document.

V. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company.

VI. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Placement Document.

VII. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of undisputed statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

As on the date of this Placement Document, our Company has no outstanding defaults in repayment of undisputed statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

VIII. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

As on the date of this Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act, 2013 and the rules made thereunder.

IX. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

X. Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Placement Document and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks

There are no reservations, qualifications or adverse remarks of our Statutory Auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Placement Document.

However, the Statutory Auditors have included an emphasis of matter in their report dated May 29, 2020, on the Audited Financial Statement as at and for the Fiscal ended March 31, 2020. Such emphasis of matter as included by the Statutory Auditors, has been reproduced below:

Emphasis of Matter

We draw attention to note no. 49 to the Ind AS financial statement, which describes the uncertainties and impact of COVID-19 pandemic on the Company's operations and results as assessed by the management..

In addition, the Statutory Auditors have included an emphasis of matter in their review report dated January 28, 2021, in relation to the Unaudited Condensed Interim Financial Statements. Such emphasis of matter as included by the Statutory Auditors, has been reproduced below:

Emphasis of Matter

We draw attention to Note 9 to the Special Purpose Interim condensed Ind AS Financial Statements, which describe the uncertainties and impact of COVID-19 pandemic on the Company's operations and Special Purpose Interim condensed Ind AS Financial Statements as assessed by the management.

For further information, see "*Financial Information*" on page 254.

Further, the Statutory Auditors, in their report dated May 29, 2020, on the Audited Financial Statements as at and for the Fiscal ended March 31, 2020, included, as an annexure, a statement on certain matters specified in the Companies (Auditors Report) Order, 2016, which was modified to indicate that:

c) There have been slight delays in deposit of statutory due with the appropriate authorities.
d) Certain outstanding dues related to the Income Tax, Value Added Tax and service tax which were not deposited on account of disputes.

In addition, the Statutory Auditors, in their report dated May 10, 2019, on the Audited Financial Statements as at and for the Fiscal ended March 31, 2019, included, as an annexure, a statement on certain matters specified in the Companies (Auditors Report) Order, 2016, which was modified to indicate that:

c) There have been slight delays in deposit of statutory due with the appropriate authorities.
d) Certain outstanding dues related to the Income Tax, Value Added Tax and service tax which were not deposited on account of disputes.

For further information, see "*Financial Information*" on page 254.

INDEPENDENT STATUTORY AUDITORS

M/s S. R. Batliboi & Co. LLP, Chartered Accountants, are the current independent statutory auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI, and have been appointed as the Statutory Auditors of our Company, pursuant to the approval of the Shareholders of our Company at the 16th AGM held on June 29, 2018, with effect from the conclusion of the 16th AGM.

M/s S. R. Batliboi & Co. LLP, Chartered Accountants, have performed a review of the Unaudited Condensed Interim Financial Statements as at and for the nine months ended December 31, 2020 in accordance with the Standard on Review Engagements (SRE) 2410 and have issued a review report dated January 28, 2021 on the Unaudited Condensed Interim Financial Statements, which is included in this Placement Document in "*Financial Information*" on page 254. Further, M/s S. R. Batliboi & Co. LLP, Chartered Accountants, have audited the Audited Financial Statements for Fiscals 2020 and 2019, and their audit reports on those financial statements are included in this Placement Document in "*Financial Information*" on page 254.

Walker Chandiok & Co LLP, Chartered Accountants, our Previous Statutory Auditor, have audited the Audited Financial Statements for Fiscal 2018, and their audit report on those financial statements are included in this Placement Document in "*Financial Information*" on page 254.

GENERAL INFORMATION

- Our Company was incorporated as '*Varin Commercial Private Limited*' on July 24, 2002, as a company with limited liability under the Companies Act, 1956, with the Registrar of Companies, West Bengal. Our name was subsequently changed to '*V-Mart Retail Private Limited*' and a fresh certificate of incorporation consequent upon such change of name dated July 11, 2006 was issued to our Company by the Registrar of Companies, West Bengal. Our Company was converted to a public limited company pursuant to a special resolution passed by our Shareholders on May 16, 2008 and a fresh certificate of incorporation dated July 11, 2008 was issued by the RoC. Consequently, the name of our Company was changed to '*V-Mart Retail Limited*'. The CIN of our Company is L51909DL2002PLC163727. The registered office of our Company is located at 610-611, Guru Ram Dass Nagar, Main Market, opposite SBI Bank, Laxmi Nagar, New Delhi 110 092, India.

- The Issue was approved by the Board of Directors on September 5, 2020. Subsequently, our Shareholders through a special resolution passed on September 30, 2020.

- The Equity Shares are listed on BSE and NSE since February 20, 2013.

- Our Company has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations to list the Equity Shares to be issued pursuant to the Issue, on BSE and NSE, on January 28, 2021. We shall apply to the Stock Exchanges for the final listing and trading approvals.

- Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10:00 AM and 5:00 PM on any weekday (except public holidays) at our Registered Office.

- Our Company has obtained all material consents, approvals and authorisations required in connection with the Issue.

- No change in control in our Company will occur consequent to the Issue.

- Except as disclosed in this Placement Document, there has been no material change in the financial or trading position of our Company since March 31, 2020, the date of the latest audited financial statements prepared in accordance with Ind AS included in this Placement Document, except as disclosed herein.

- Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue.

- Our Company confirms that it is compliant with the requirement of minimum public shareholding prescribed under the SEBI Listing Regulations and as per Rule 19A of the SCRR.

- The Floor Price is ₹ 2,432.84 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations.

- Megha Tandon is the Company Secretary and Compliance Officer of our Company. Her details are as follows:

  Megha Tandon
  Plot No. 862, Udhyog Vihar Phase-V
  Industrial Area, Gurugram 122 016
  Haryana, India
  Tel: +91 124 464 0030
  E-mail: cs@vmart.co.in

PROPOSED ALLOTTEES IN THE ISSUE

The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them is set forth below.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital (%)*
1.	SBI SMALL CAP FUND	2.573
2.	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND	2.143
3.	ICICI PRUDENTIAL LONG TERM EQUITY FUND TAX SAVINGS	1.845
4.	ICICI PRUDENTIAL SMALLCAP FUND	1.415
5.	KUWAIT INVESTMENT AUTHORITY FUND 223	0.435
6.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL CAP FUND	0.388
7.	SBI CONTRA FUND	0.354
8.	SBI LIFE INSURANCE COMPANY LTD	0.350
9.	T. ROWE PRICE INTERNATIONAL SMALL-CAP EQUITY TRUST	0.285
10.	BARODA MULTI CAP FUND	0.264
11.	PIONEER INVESTMENT FUND	0.249
12.	BNP PARIBAS MUTUAL FUND A/C BNP PARIBAS INDIA CONSUMPTION FUND	0.183
13.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE RESURGENT INDIA FUND - SERIES 5	0.174
14.	SUN LIFE EXCEL INDIA FUND	0.166
15.	KOTAK SMALL CAP FUND	0.155
16.	ABSL UMBRELLA UCITS FUND PLC-INDIA FRONTLINE EQUITY FUND	0.104
17.	KOTAK ESG OPPORTUNITIES FUND	0.093
18.	SOCIETE GENERALE	0.072
19.	AURIGIN MASTER FUND LIMITED	0.062
20.	MORGAN STANLEY ASIA (SINGAPORE) PTE	0.062
21.	SOCIETE GENERALE - ODI	0.049
22.	REGIME DE RETRAITE D HYDRO-QUEBEC	0.041
23.	BNP PARIBAS ARBITRAGE	0.040
24.	ADVANCED SERIES TRUST - AST T. ROWE PRICE GROWTH OPPORTUNITIES PORTFOLIO	0.028
25.	INTEGRATED CORE STRATEGIES ASIA PTE.LTD.	0.026
26.	EXCEL FUNDS MAURITIUS COMPANY LIMITED	0.026
27.	BNP PARIBAS MUTUAL FUND A/C BNP PARIBAS SUBSTANTIAL EQUITY HYBRID FUND	0.016
28.	BNP PARIBAS MID CAP FUND	0.014
29.	T. ROWE PRICE GLOBAL ALLOCATION FUND, INC.	0.008
30.	ADVANCED SERIES TRUST - AST T.ROWE PRICE DIVERSIFIED REAL GROWTH PORTFOLIO	0.001

* *Based on the beneficiary position as on January 29, 2021 (adjusted for Equity Shares Allocated in the Issue). The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees has been disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies and FPIs (investing through different sub-accounts having common PAN across such sub-accounts) wherein their respective DP ID and Client ID has been considered*

Note: *Subject to Allotment in this Issue.*

FINANCIAL INFORMATION

Review Report

Review Report to
The Board of Directors
V-Mart Retail Limited

We have reviewed the accompanying special purpose interim condensed Ind AS financial statements of V-Mart Retail Limited (the "Company"), which comprise the condensed balance sheet as at December 31, 2020, and the related Statements of Profit and Loss, Comprehensive Income , Cash Flows and Changes in Equity for the nine months period ended December 31, 2020, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as the "Special Purpose Interim condensed Ind AS Financial Statements").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these special purpose interim condensed Ind AS financial statements in accordance with recognition and measurement principles laid down as per the requirement of Indian Accounting Standard - 34 "Interim financial reporting" (Ind AS-34) specified under section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended. These special purpose interim condensed Ind AS financial Statements has been prepared solely in connection with raising of funds in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBl ICDR Regulations"). Our responsibility is to express a conclusion on the Special Purpose Interim condensed Ind AS Financial Statements based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Interim condensed Ind AS Financial Statements have not been prepared in all material respects in accordance with recognition and measurement principles of Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies

Emphasis of Matter

We draw attention to Note 9 to the Special Purpose Interim condensed Ind AS Financial Statements, which describe the uncertainties and impact of COVID-19 pandemic on the Company's operations and Special Purpose Interim condensed Ind AS Financial Statements as assessed by the management. Our conclusion is not modified in respect of these matters.

Other Matters

This report on the Special Purpose Interim Ind AS Financial Statements has been issued solely in connection with the purpose specified in note 2.1 of the Special Purpose Interim Condensed Ind AS Financial Statements and is intended solely for the information and use of the Board of Directors and should not be used for any other purpose or provided to other parties.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Vikas Mehra
Partner
Membership No.: 094421
UDIN: 21094421AAAAAS8086

Place: New Delhi
Date : January 28, 2021

V-Mart Retail Limited
Special Purpose Interim Condensed Balance Sheet as at December 31, 2020
(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	As at December 31, 2020	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment		**16,169.33**	17,127.15
Right-of-use assets		**48,796.42**	49,211.06
Capital work in progress		**148.37**	246.69
Intangible assets		**295.00**	365.87
Financial assets			
Investments		**358.70**	331.54
Loans		**1,271.36**	1,188.50
Other financial assets		**140.68**	125.22
Deferred tax assets (net)		**2,276.40**	1,601.23
Other non-current assets		**268.56**	408.62
		69,724.82	70,605.88
Current assets			
Inventories		**29,781.60**	47,792.24
Financial assets			
Investments		**4,988.80**	457.47
Loans		**3.47**	3.44
Cash and cash equivalents		**6,000.16**	489.59
Other bank balances		**295.13**	9.26
Other financial assets		**10.74**	-
Other current assets		**1,761.22**	3,006.90
		42,841.12	51,758.90
		1,12,565.94	1,22,364.78
EQUITY AND LIABILITIES			
Equity			
Equity share capital		**1,817.55**	1,815.55
Other equity		**43,629.00**	44,077.64
		45,446.55	45,893.19
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		**48,921.17**	43,783.81
Employee benefit obligations		**746.19**	612.26
		49,667.36	44,396.07
Current liabilities			
Financial liabilities			
Borrowings		**14.53**	104.65
Lease liabilities		**4,017.57**	7,782.64
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises		**1,646.90**	5,043.66
b) total outstanding dues of creditors other than micro enterprises and small enterprises		**8,335.53**	14,635.31
Other financial liabilities		**1,125.19**	2,608.14
Employee benefit obligations		**248.45**	254.92
Liabilities for current tax (net)		**1,360.60**	967.05
Other current liabilities		**703.26**	679.15
		17,452.03	32,075.52
		1,12,565.94	1,22,364.78
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the Special Purpose Interim Condensed Financial Statements.

As per our review report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

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

per **Vikas Mehra**
Partner
Membership Number: 094421

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Place: New Delhi
Date: January 28, 2021

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

V-Mart Retail Limited
Special purpose Interim Condensed Statement of Profit and Loss for nine months ended December 31, 2020
(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	For nine months ended December 31, 2020	For nine months ended December 31, 2019
REVENUE			
Revenue from contracts with customers		**72,358.76**	1,32,936.08
Other income		**1,548.52**	292.77
Finance income		**121.11**	76.64
Total Revenues (I)		**74,028.39**	1,33,305.49
EXPENSES			
Purchase of traded goods		**29,645.62**	1,00,101.97
Decrease/(increase) in inventory		**18,010.64**	(11,248.84)
Employee benefits expense		**8,134.00**	11,687.35
Finance costs		**4,430.95**	4,091.72
Depreciation and amortization expense		**7,741.56**	6,871.10
Other expenses		**6,803.16**	13,804.19
Total Expenses (II)		**74,765.93**	1,25,307.49
(Loss)/Profit before tax (I)-(II)		**(737.54)**	7,998.00
Tax expense			
Current tax (including earlier years)		**393.16**	2,557.88
Deferred tax (credit)		**(657.82)**	(337.91)
Total tax expense		**(264.66)**	2,219.97
(Loss)/Profit for the period		**(472.88)**	5,778.03
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		**(68.95)**	(39.89)
Income tax on above		**17.35**	10.04
Total other comprehensive income		**(51.60)**	(29.85)
Total comprehensive income for the period		**(524.48)**	5,748.18
Earnings per share [nominal value of share Rs. 10 (December 31, 2019 : Rs. 10)]			
Basic		**(2.60)**	31.83
Diluted		**(2.60)**	31.80
Summary of significant accounting policies	**2.2**		

The accompanying notes are an integral part of the Special Purpose Interim Condensed Financial Statements.

As per our review report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

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

Madan Gopal Agarwal
Director
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Lalit Agarwal
Managing Director
DIN No. 00900900

Place: New Delhi
Date: January 28, 2021

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

V-Mart Retail Limited

Special Purpose Interim Condensed Cash Flow Statement for the nine months ended December 31, 2020

(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

		For nine months ended December 31, 2020	For nine months ended December 31, 2019
A.	**Operating activities**		
	(Loss)/Profit before Income tax	**(737.54)**	7,998.00
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expense	**7,741.56**	6,871.10
	Loss on sale / write-off of fixed assets	**46.13**	80.31
	Employee stock option expense	**-**	221.87
	Provision against doubtful advances	**17.18**	62.46
	Balances written off	**5.85**	3.88
	Finance costs	**4,430.95**	4,091.72
	Rent Concession on lease rentals	**(2,277.58)**	
	Expense on fair valuation of security deposits	**-**	72.51
	Interest income	**(121.11)**	(76.64)
	Profit on sale of investments (net)	**(4.89)**	(181.49)
	Income on investment designated at FVTPL	**(49.00)**	(24.31)
	Liabilities written back	**(47.96)**	(66.81)
	Operating profit before working capital changes	**9,003.59**	19,052.60
	Changes in working capital :		
	Increase in financial assets	**(115.02)**	(192.23)
	Decrease / (increase) in other assets	**1,227.55**	(755.07)
	Decrease / (increase) in inventories	**18,010.64**	(11,248.84)
	(Decrease) in trade payables	**(9,648.58)**	(2,115.32)
	(Decrease)/increase in other financial liabilities	**(990.45)**	1,972.21
	Decrease in other liabilities	**(270.30)**	(498.68)
	Increase in provisions	**58.51**	73.08
	Cash flow from operations	**17,275.94**	6,287.75
	Taxes paid (net of refunds)	**(9.11)**	(1,903.00)
	Net cash flow from operating activities (A)	**17,266.83**	4,384.75
B.	**Investing activities**		
	Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	**(2,032.54)**	(4,290.37)
	Proceeds from sale of fixed assets	**34.76**	3.57
	Purchase of investments	**(8,399.67)**	(18,333.98)
	Proceeds from sale of investments	**3,895.05**	24,241.67
	Interest received	**9.66**	6.65
	Movement in pledged fixed deposits (including earmarked balances with bank net of liabilities)	**(8.04)**	380.85
	Net cash (used in)/ from investing activities (B)	**(6,500.78)**	2,008.39
C.	**Financing activities**		
	Proceeds from issue of equity shares including securities premium	**94.22**	133.55
	Repayment of long term borrowings	**(2.60)**	(22.01)
	Proceeds from short term borrowings (net)	**(90.12)**	-
	Equity dividend paid	**-**	(308.61)
	Corporate dividend tax paid	**-**	(63.44)
	Lease payments (net of sublease income)	**(959.85)**	(2,171.70)
	Finance charges paid	**(4,431.09)**	(4,091.94)
	Net cash (used in) financing activities (C)	**(5,389.44)**	(6,524.15)
D.	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**	**5,376.61**	(131.01)
E.	Cash and cash equivalents at the beginning of the period	**480.83**	1,231.71
F.	**Cash and cash equivalents at the end of the period (D+E)**	**5,857.44**	1,100.70

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V-Mart Retail Limited

Special Purpose Interim Condensed Cash Flow Statement for the nine months ended December 31, 2020

(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

		For the nine months ended December 31, 2020	For the nine months ended December 31, 2019
Components of cash and cash equivalents			
Balances with banks			
- on current account		**2.04**	415.90
- on cash credit account		**78.24**	109.74
- Deposits with original maturity of less than three months		**5,490.00**	-
Cash on hand		**287.16**	575.06
		5,857.44	1,100.70
Summary of significant accounting policies	**Note 2.2**		

The accompanying notes are an integral part of the Special Purpose Interim Condensed Financial Statements.

As per our review report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: January 28, 2021

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

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V-Mart Retail Limited

Special Purpose Interim Condensed Statement of changes in equity for the nine months ended December 31, 2020

(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

A. Equity share capital

	No.	Amount
Balance as at April 1, 2019	1,81,29,993	1,813.00
Issue of equity share capital under Employee Stock Option Scheme	25,491	2.55
Balance as at December 31, 2019	1,81,55,484	1,815.55

	No.	Amount
Balance as at April 1, 2020	**1,81,55,484**	**1,815.55**
Issue of equity share capital under Employee Stock Option Scheme	**20,047**	**2.00**
Balance as at December 31, 2020	**1,81,75,531**	**1,817.55**

B. Other equity

Particulars	Securities premium reserve	Amalgamation reserve	Retained earnings	Shares option outstanding account	Total
Balance as at April 1, 2019	9,345.13	154.76	29,240.53	373.62	39,114.04
Profit for the period	-	-	5,778.03	-	5,778.03
Other Comprehensive Income (Remeasurement of defined benefit obligations)	-	-	(29.85)	-	(29.85)
Payment of dividend on equity shares #	-	-	(308.61)	-	(308.61)
Payment of dividend distribution tax	-	-	(63.44)	-	(63.44)
Recognition of share based payment expenses	-	-	-	221.87	221.87
Transfer from share option outstanding account on exercise of options	64.52	-	-	(64.52)	-
Received during the year against issue of shares to employees under ESOP scheme	131.00	-	-	-	131.00
Balance as at December 31, 2019	**9,540.65**	**154.76**	**34,616.66**	**530.97**	**44,843.04**

Particulars	Securities premium reserve	Amalgamation reserve	Retained earnings	Shares option outstanding account	Total
Balance as at April 1, 2020	**9,544.20**	**154.76**	**33,801.87**	**576.81**	**44,077.64**
Profit for the period	**-**	**-**	**(472.88)**	**-**	**(472.88)**
Other Comprehensive Income (Remeasurement of defined benefit obligations)	**-**	**-**	**(51.60)**	**-**	**(51.60)**
Payment of dividend on equity shares #	**-**	**-**	**-**	**-**	**-**
Payment of dividend distribution tax	**-**	**-**	**-**	**-**	**-**
Recognition of share based payment expenses	**-**	**-**	**-**	**(16.37)**	**(16.37)**
Transfer from share option outstanding account on exercise of options	**42.30**	**-**	**-**	**(42.30)**	**-**
Received during the year against issue of shares to employees under ESOP scheme	**92.22**	**-**	**-**	**-**	**92.22**
Balance as on Dec 31, 2020	**9,678.72**	**154.76**	**33,277.39**	**518.14**	**43,629.01**

Transactions with owners in their capacity as owners

Summary of significant accounting policies **Note 2.2**

The accompanying notes are an integral part of the Special Purpose Interim Condensed Financial Statements.

As per our review report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: January 28, 2021

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

1 Corporate Information

V-Mart Retail Limited (the 'Company'), incorporated on July 24, 2002, is a public limited company with its equity shares listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE). The Company retails readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India. The Company is domiciled in India with registered office situated at 610-611, Guru Ram Dass Nagar, Main Market, Opposite SBI Bank, Laxmi Nagar, New Delhi and corporate office situated at Plot No· 862, Udyog Vihar Industrial Area, Phase V, Gurugram.

2 Significant accounting policies

2.1 Basis of preparation

These Special purpose interim condensed Ind AS financial statements of the Company, which comprise the Special purpose interim condensed balance sheet as at December 31, 2020; Special purpose interim condensed statement of Profit and Loss including the statement of Other Comprehensive Income; Special purpose interim condensed Cash Flow Statement and Special purpose interim condensed Statement of Changes in Equity for the period then ended and other select explanatory notes has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting". This unaudited special purpose interim condensed Ind AS financial statements has been prepared in connection with raising of funds in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBl ICDR Regulations").

The accounting policies adopted in the preparation of these unaudited special purpose interim condensed Ind AS financial statements are consistent with those followed in the preparation of the annual audited Ind AS financial statements for the year ended March 31, 2020. Further, certain selected explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in the financial position and performance since the last annual audited Ind AS financial statements.
The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements. The presentation and disclosure requirements of Guidance note to Schedule III are also complied with by the Company.

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 100,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.
An asset is treated as current when it is:
-Expected to be realised or intended to be sold or consumed in normal operating cycle.
-Held primarily for the purpose of trading.
-Expected to be realised within twelve months after the reporting period, or
-Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

-All other assets are classified as non-current.
A liability is current when:
-It is expected to be settled in normal operating cycle
-It is held primarily for the purpose of trading
-It is due to be settled within twelve months after the reporting period, or
-There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
-The Company classifies all other liabilities as non-current.
-Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

b. Foreign Currencies

The Company's financial statements are presented in the nearest lakhs (INR 100,000) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

Transactions in foreign currencies are initially recorded by the Company's at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses rate at the beginning of each month which is approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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c. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given below.

Disclosure for valuation method, significant estimates and assumption

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

d. Revenue from contract with customer

Revenue from contract with customer is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from contract with customer is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risk.

Sale of goods:

Revenue from sale of goods is recognised on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. It is the Company's policy to sell its products to the end customers with a right of return within 7 days. Historical experience is used to estimate and provide for such returns at the time of sales. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risk.

Loyalty points programme:

The Company has a loyalty points programme, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

Interest Income:

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Interest income is included in finance income in the Statement of Profit and Loss.

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e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability In a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection and overhaul is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

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(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

h. Depreciation on Property, plant and equipment

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is ready to put to use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Asset Category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Plant and equipment	6-9 years	15 years
Office equipment	5 years	5 years
Computers	3-6 years	3-6 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years

Leasehold improvements are amortized on a straight line basis over the period of lease.
The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company has adopted modified retrospective approach as per para C8(c)(ii) of IND AS 116 - "Leases" for its store, warehouse, office premises and other assets taken on leases, effective from the annual reporting period beginning April 1, 2019. Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Stores, ware house and office premises	9 to 15 years
• Plant and Machinery/ Office equipment	3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (l) Impairment of non-financial assets.

Lease Liabilities

The Company recognises lease liabilities at the present value of lease payments to be made over the remaining lease term effective April 1, 2019. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.
In calculating the present value of lease payments, the Company uses its incremental borrowing rate because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of rented premises, Plant and machinery and office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k. Inventories

Inventories are valued as follows:

a) Packing and accessories: At lower of cost and net realisable value. Cost represents purchase price and other direct costs and is determined on a "first in, first out" basis.

b) Traded goods: At lower of cost and net realisable value. Cost of inventories comprises all costs of purchase price and other incidental costs incurred in bringing the inventories to their present location and condition. Cost is determined based on first in first out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

l. Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life (including right of use assets).

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

Impairment losses are recognized in the statement of profit and loss.

m. Provisions and Contingent liabilities

Provisions

Provision are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligations, the provision is reversed.

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 unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

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n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is defined benefit plan and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each year. Actuarial gain and loss for defined plan benefit plan is recognized in full in the year in which occur in the statement of profit and loss.

Accumulated leave, which are expected to be utilized within the next twelve months are treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of unused entitlement that has accumulated at that reporting period.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:
(a) The date of the plan amendment or curtailment, and
(b) The date that the Company recognizes related restructuring costs
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
(b) Net interest expense or income

o. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share Option Outstanding Account' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

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p. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company classifies its financial assets in the following measurement categories:
- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
-Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
• Debt instruments at amortized cost
• Debt instruments at fair value through other comprehensive income (FVTOCI)
• Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
• Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss) or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
(ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Investments

Investments in mutual fund are measured at FVTPL.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financials assets) is primarily derecognised (i.e. removed from the company's balance sheet) when :

(i) The rights to receive cash flows from the assets have expired , or

(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

q. Segment reporting

Identification of segments:

Business segment:

The company operates in single segment of retails of readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India..

Geographical segment:

The analysis of geographical segments is based on the geographical location of the customers. The company operates in single geographical segment i.e. India.

r. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of Company's cash management.

s. Cash dividend and non-cash distribution to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

t. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

3 Commitments and Contingencies

i) Commitments

Particulars	**As at December 31, 2020**	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account not provided in books	**31.84**	105.28
	31.84	105.28

ii) Contingent liabilities

Particulars	**As at December 31, 2020**	As at March 31, 2020
Income tax[1]	**74.97**	74.97
Value added tax [2]	**435.56**	450.30
Service tax [3]	**30.33**	30.33
Payment of Bonus (Amendment) Act, 2015[4]	**107.61**	107.61
Minimum Wages Act, 1948[5]	**94.45**	94.45
Total Contingent Liabilities	**742.92**	757.66

Income Tax [1]

Demand amounting to Rs. 17.38 lakhs (March 31, 2020 : Rs. 17.38 lakhs) was raised by the income tax department for AY 13-14 and AY 16-17 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961 and other non deductible expenses. The Company has reduced the refund due to it against such demand. However, the Company has filed an appeal before CIT (A) for assessment year 13-14 and has also filed a rectification application for assessment year 16-17.

Demand amounting to Rs. 80.20 lakhs (March 31, 2020 : Rs. Nil) was raised by the income tax department for AY 17-18 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961, allowance of education cess, delay in payment of PF and disallowance of interest on delayed payment of Income Tax. The Company has reduced the refund due to it against such demand. However, the Company has filed an appeal an appeal before CIT (A).

Demand amounting to Rs. 74.97 lakhs (March 31, 2020 : Rs. Nil) was raised by the income tax department for AY 12-13 in respect of addition made on disallowance of certain purchases based on inadvertent assumption. The Company has reduced the refund due to it against such demand. However, the Company has filed an appeal an appeal before CIT (A). The Company does not believe any liability devolving against the Company.

Value added tax [2]

Rs. 426.55 lakhs (March 31, 2020: Rs. 450.30 lakhs) represents demand relating to the appropriateness of forms/ declaration made by the Company under relevant sales tax legislations which were primarily procedural and on interstate movement of goods. Pending final decisions, the Company has deposited amounts under protest with statutory authorities for certain cases amounting to Rs. 111.76 (March 31, 2020: Rs.120.26) .
Further, during the period ending December 31, 2020, the Company has received a demand of Rs 9.01 lakhs under section32/34/35 of Gujrat Value Added Tax, 2003 on account of mismatch of input tax credit claimed by the it.

Service tax [3]

Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1 2007 by the Finance Act, 2010, the Retailer Association of India (the Company being a member of such Association) has challenged the said levy and, inter-alia, its retrospective application. The Hon'ble Supreme Court has issued an interim order dated October 14, 2011, directing to deposit 50% of the arrears of service tax due upto September 30, 2011 and the balance, if any, at the time of final disposal of the appeal. The amount of service tax on rent in respect of rented stores from June 1, 2007 till September 30, 2011 amounted to Rs.108.26 lacs of which Rs.77.93 lacs has been provided for in the Statement of Profit and Loss till March 31, 2017 and the balance Rs.30.33 lacs has been disclosed as contingent liability as at reporting date. As per directions of the Hon'ble Supreme Court, the Company, has deposited Rs.37.69 lacs under protest with the concerned authorities and has disclosed this balance as "Service tax deposit" under other non-current assets.

Payment of Bonus (Amendment) Act, 2015[4]

The Payment of Bonus (Amendment) Act, 2015 dated December 31, 2015 (which was made effective from 1 April 2014) revised the thresholds for coverage of employees eligible for bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognizance of the stay granted by Hon'ble High Courts of Kerala (Ernakulam), Karnataka (Bengaluru), Uttar Pradesh (Allahabad) and Madhya Pradesh (Indore) and pending disposal of such matter, the Company, in accordance with the Payment of Bonus (Amendment) Act, 2015, has only recognized an additional expense of Rs.213.81 lakhs for the period April 1, 2015 to March 31, 2016 during year ended March 31, 2016 and has not recognised the differential amount of bonus of Rs.107.61 lakhs for the period April 1, 2014 to March 31, 2015.

Minimum Wages Act, 1948[5]

Rs.94.45 lakhs (March 31, 2020 :Rs.63.98 lakhs) represents demand under imposed by the labour enforcement officer under The Minimum Wages Act, 1948 mainly on classification of employees into skilled, semi-skilled and un-skilled. The Company has contested the demand and does not anticipate any material liability devolving on the Company.

Further there are various labour, legal metrology, food adulteration and cases under other acts pending against the Company, the liability of which cannot be ascertained. However, management does not expect significant or material liability devolving on the Company.

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V-Mart Retail Limited
Notes to Special Purpose Interim Condensed financial statements for nine months ended December 31, 2020
(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

4 Related party disclosures

(a) Names of related parties and related party relationship

Names of related parties where control exists

Conquest Business Services Private Limited	Entity along with promotor holding having control
Key managerial personnel	
Mr. Lalit Madangopal Agarwal	Managing Director
Mr. Madan Gopal Agarwal	Whole-time Director
Mr. Aakash Moondhra	Independent Director
Mr. Murli Ramachandran	Independent Director
Ms. Sonal Mattoo	Independent Director
Mr. Govind Shridhar Shrikhande	Independent Director
Mr. Anand Agarwal	Chief financial officer
Mrs. Megha Tandon	Company Secretary
Relative of Key managerial personnel	
Mrs. Sangeeta Agarwal	Wife of Mr. Lalit Madangopal Agarwal
Mrs. Uma Devi Agarwal	Wife of Mr. Madan Gopal Agarwal and Mother of Mr. Lalit Madangopal Agarwal
Mr. Snehal Shah	Son-in-law of Mr. Madan Gopal Agarwal
Mr. Hemant Agarwal	Son of Mr. Madan Gopal Agarwal and Brother of Mr. Lalit Madangopal Agarwal
Mrs. Smiti Agarwal	Daughter -in-law of Mr. Madan Gopal Agarwal
Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel*	
Lalit M Agarwal (HUF)	HUF in which Mr. Lalit Madangopal Agarwal is Karta
Hemant Agarwal (HUF)	HUF in which Mr. Hemant Agarwal is Karta
V-Mart Foundation	Trust in which Mr. Lalit Madangopal Agarwal and Mrs. Sangeeta Agarwal is trustee

*Where transactions have occurred.

(b) The following transactions were carried out with related parties in the ordinary course of business:

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	For nine months ended December 31, 2020	For nine months ended December 31, 2019	**For nine months ended December 31, 2020**	For nine months ended December 31, 2019	**For nine months ended December 31, 2020**	For nine months ended December 31, 2019
Managerial						
Mr. Lalit Madangopal Agarwal	**110.19**	213.12	-	-	-	-
Mr. Madan Gopal	**20.74**	51.20	-	-	-	-
Post employment benefits - Gratuity						
Mr. Lalit Madangopal	**0.43**	-	-	-	-	-
Mr. Madan Gopal	**0.06**	-	-	-	-	-
Independent directors' commission						
Mr. Aakash Moondhra	-	14.45	-	-	-	-
Mr. Murli Ramachandran	-	14.45	-	-	-	-
Ms. Sonal Mattoo	-	14.45	-	-	-	-
Mr. Govind Sridhar Shrikhande	-	14.45	-	-	-	-
Director sitting fees						
Mr. Aakash Moondhra	**2.00**	1.50	-	-	-	-
Mr. Murli Ramachandran	**2.00**	1.50	-	-	-	-
Ms. Sonal Mattoo	**2.00**	1.50	-	-	-	-
Mr. Govind Sridhar Shrikhande	**2.00**	1.50	-	-	-	-
Salaries, wages and bonus #						
Mr. Anand Agarwal	**63.38**	76.04	-	-	-	-
Mr. Snehal Shah	-	-	**37.89**	47.26	-	-
Mrs. Megha Tandon	**4.65**	6.99	-	-	-	-
ESOP issued						
Mr. Anand Agarwal	-	16.99	-	-	-	-
Mr. Snehal Shah	-	-	-	7.66	-	-
Dividend paid						
Mr. Hemant Agarwal	-	-	-	0.94	-	-
Lalit Agarwal (HUF)	-	-	-	-	-	21.71
Hemant Agarwal (HUF)	-	-	-	-	-	5.73
Mrs. Smiti Agarwal	-	-	-	6.18	-	-
Conquest Business Services Pvt. Ltd.	-	-	-	-	-	127.33

***Managerial remuneration comprises of the following:-**

	For nine months ended December 31, 2020	For nine months ended December 31, 2019
Remuneration (excluding post employment benefits)	**63.44**	87.52
Commission	**-**	111.73
Perquisites	**67.50**	65.07
	130.94	264.32

Gross salary as per pay sheet including bonus, contribution to PF and LWF. It does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the company as a whole. Further, it does not include perquisites on ESOP considered for income tax purposes on the date of exercise of option.

(c) **Balance at the end of year**

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	As at December 31, 2020	As at March 31, 2020	**As at December 31, 2020**	As at March 31, 2020	**As at December 31, 2020**	As at March 31, 2020
Remuneration/salary payable (net of TDS)						
Mr. Lalit Madangopal Agarwal	**15.10**	27.12	-	-	-	-
Mr. Madan Gopal	**1.80**	18.39	-	-	-	-
Loan and Advance						
Mr. Anand Agarwal	**5.35**	-	-	-	-	-
Mr. Snehal Shah	-	-	**11.27**	-	-	-
Independent directors' commission payable (net of TDS)						
Mr. Aakash Moondhra	-	8.21	-	-	-	-
Mr. Murli Ramachandran	-	8.21	-	-	-	-
Mr. Govind Sridhar Shrikhande	-	11.65	-	-	-	-
Ms. Sonal Mattoo	-	11.65	-	-	-	-

5 Material additions and deletions in property, plant and equipment and intangible asssets are as follows:

	For nine months ended December 31, 2020		For nine months ended December 31, 2019	
Particluars	**Additions**	**Deletions**	**Additions**	**Deletions**
Plant and Equipment	**661.99**	**184.19**	1,752.19	92.06
Office equipment	**33.90**	**10.98**	112.12	7.75
Leasehold Improvements	**4.29**	**8.99**	73.64	18.31
Computer equipment	**44.36**	**3.21**	304.24	6.48
Furniture and fixtures	**969.69**	**122.47**	1,702.01	70.81
Vehicles	**18.50**	**3.67**	65.38	-
Intangible assets				
Computer software	**36.76**	**31.55**	77.35	0.27

6 The Company on a periodic basis assesses the markdown of its aged and obsolete inventories (including shrinkage due to various reasons). The exercise has been carried out throughout the period. The estimated markdown including shrinkage in consumption of stock-in -trade amounts to Rs.3,217.06 lakhs [March 31, 2020: Rs. 3,502.15 lakhs]. The management is confident that above estimation is adequate both in line with the industry standards and as well as considering the current COVID-19 situation. Also refer note 8 below

7 There is no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments during the period ended December 31, 2020

8 **Segment information**

Ind AS 108 establishes standards for the way that the Company report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations comprises of only one segment i.e. Retail sale business of various merchandise products. The Company operates primarily in India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment. The management also reviews and measure the operating results taking the whole business as one segment. In view of the same, separate segment information is not required to be given as per the requirements of Ind AS 108 on “Operating Segments”. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in the segment, and are as set out in the significant accounting policies.

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9 COVID-19 pandemic has a significant impact on the business operations and financial statements of the Company for the period ended December 31, 2020. With easing lockdown and opening of economic activities, the Company believes that the Company's operations will increase and expects the momentum to continue with an overall improvement in COVID-19 situation. The Company believes that the pandemic is not likely to impact the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories, etc. Further, it has re-assessed the provision for inventory markdown and shrinkage, which is inline with the present situation and current indicators of future economic conditions

As the pandemic is still not over, the management believes that the situation is evolving, and accordingly the underlying assumptions and estimates used to prepare the Company's financial statements, may differ from that considered as at the date of approval of these financial statements. Further, the numbers of nine months ended December 31, 2020 are not Comparable to previous nine months ended December 31, 2019 because of the aforementioned pandemic situation

As per our review report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date : January 28, 2021

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

V-Mart Retail Limited
Special Purpose Interim Condensed Balance Sheet as at December 31, 2020
(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	As at December 31, 2020	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment		**16,169.33**	17,127.15
Right-of-use assets		**48,796.42**	49,211.06
Capital work in progress		**148.37**	246.69
Intangible assets		**295.00**	365.87
Financial assets			
Investments		**358.70**	331.54
Loans		**1,271.36**	1,188.50
Other financial assets		**140.68**	125.22
Deferred tax assets (net)		**2,276.40**	1,601.23
Other non-current assets		**268.56**	408.62
		69,724.82	70,605.88
Current assets			
Inventories		**29,781.60**	47,792.24
Financial assets			
Investments		**4,988.80**	457.47
Loans		**3.47**	3.44
Cash and cash equivalents		**6,000.16**	489.59
Other bank balances		**295.13**	9.26
Other financial assets		**10.74**	-
Other current assets		**1,761.22**	3,006.90
		42,841.12	51,758.90
		112,565.94	122,364.78
EQUITY AND LIABILITIES			
Equity			
Equity share capital		**1,817.55**	1,815.55
Other equity		**43,629.00**	44,077.64
		45,446.55	45,893.19
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		**48,921.17**	43,783.81
Employee benefit obligations		**746.19**	612.26
		49,667.36	44,396.07
Current liabilities			
Financial liabilities			
Borrowings		**14.53**	104.65
Lease liabilities		**4,017.57**	7,782.64
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises		**1,646.90**	5,043.66
b) total outstanding dues of creditors other than micro enterprises and small enterprises		**8,335.53**	14,635.31
Other financial liabilities		**1,125.19**	2,608.14
Employee benefit obligations		**248.45**	254.92
Liabilities for current tax (net)		**1,360.60**	967.05
Other current liabilities		**703.26**	679.15
		17,452.03	32,075.52
		112,565.94	122,364.78
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the Special Purpose Interim Condensed Financial Statements.

As per our review report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: January 28, 2021

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

V-Mart Retail Limited
Special purpose Interim Condensed Statement of Profit and Loss for nine months ended December 31, 2020
(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	For nine months ended December 31, 2020	For nine months ended December 31, 2019
REVENUE			
Revenue from contracts with customers		**72,358.76**	132,936.08
Other income		**1,548.52**	292.77
Finance income		**121.11**	76.64
Total Revenues (I)		**74,028.39**	133,305.49
EXPENSES			
Purchase of traded goods		**29,645.62**	100,101.97
Decrease/(increase) in inventory		**18,010.64**	(11,248.84)
Employee benefits expense		**8,134.00**	11,687.35
Finance costs		**4,430.95**	4,091.72
Depreciation and amortization expense		**7,741.56**	6,871.10
Other expenses		**6,803.16**	13,804.19
Total Expenses (II)		**74,765.93**	125,307.49
(Loss)/Profit before tax (I)-(II)		**(737.54)**	7,998.00
Tax expense			
Current tax (including earlier years)		**393.16**	2,557.88
Deferred tax (credit)		**(657.82)**	(337.91)
Total tax expense		**(264.66)**	2,219.97
(Loss)/Profit for the period		**(472.88)**	5,778.03
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		**(68.95)**	(39.89)
Income tax on above		**17.35**	10.04
Total other comprehensive income		**(51.60)**	(29.85)
Total comprehensive income for the period		**(524.48)**	5,748.18
Earnings per share [nominal value of share Rs. 10 (December 31, 2019 : Rs. 10)]			
Basic		**(2.60)**	31.83
Diluted		**(2.60)**	31.80
Summary of significant accounting policies	**2.2**		

The accompanying notes are an integral part of the Special Purpose Interim Condensed Financial Statements.

As per our review report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

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

per **Vikas Mehra**
Partner
Membership Number: 094421

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Place: New Delhi
Date: January 28, 2021

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

V-Mart Retail Limited

Special Purpose Interim Condensed Cash Flow Statement for the nine months ended December 31, 2020

(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

		For nine months ended December 31, 2020	For nine months ended December 31, 2019
A.	**Operating activities**		
	(Loss)/Profit before Income tax	**(737.54)**	7,998.00
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expense	**7,741.56**	6,871.10
	Loss on sale / write-off of fixed assets	**46.13**	80.31
	Employee stock option expense	**-**	221.87
	Provision against doubtful advances	**17.18**	62.46
	Balances written off	**5.85**	3.88
	Finance costs	**4,430.95**	4,091.72
	Rent Concession on lease rentals	**(2,277.58)**	
	Expense on fair valuation of security deposits	**-**	72.51
	Interest income	**(121.11)**	(76.64)
	Profit on sale of investments (net)	**(4.89)**	(181.49)
	Income on investment designated at FVTPL	**(49.00)**	(24.31)
	Liabilities written back	**(47.96)**	(66.81)
	Operating profit before working capital changes	**9,003.59**	19,052.60
	Changes in working capital :		
	Increase in financial assets	**(115.02)**	(192.23)
	Decrease / (increase) in other assets	**1,227.55**	(755.07)
	Decrease / (increase) in inventories	**18,010.64**	(11,248.84)
	(Decrease) in trade payables	**(9,648.58)**	(2,115.32)
	(Decrease)/increase in other financial liabilities	**(990.45)**	1,972.21
	Decrease in other liabilities	**(270.30)**	(498.68)
	Increase in provisions	**58.51**	73.08
	Cash flow from operations	**17,275.94**	6,287.75
	Taxes paid (net of refunds)	**(9.11)**	(1,903.00)
	Net cash flow from operating activities (A)	**17,266.83**	4,384.75
B.	**Investing activities**		
	Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	**(2,032.54)**	(4,290.37)
	Proceeds from sale of fixed assets	**34.76**	3.57
	Purchase of investments	**(8,399.67)**	(18,333.98)
	Proceeds from sale of investments	**3,895.05**	24,241.67
	Interest received	**9.66**	6.65
	Movement in pledged fixed deposits (including earmarked balances with bank net of liabilities)	**(8.04)**	380.85
	Net cash (used in)/ from investing activities (B)	**(6,500.78)**	2,008.39
C.	**Financing activities**		
	Proceeds from issue of equity shares including securities premium	**94.22**	133.55
	Repayment of long term borrowings	**(2.60)**	(22.01)
	Proceeds from short term borrowings (net)	**(90.12)**	-
	Equity dividend paid	**-**	(308.61)
	Corporate dividend tax paid	**-**	(63.44)
	Lease payments (net of sublease income)	**(959.85)**	(2,171.70)
	Finance charges paid	**(4,431.09)**	(4,091.94)
	Net cash (used in) financing activities (C)	**(5,389.44)**	(6,524.15)
D.	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**	**5,376.61**	(131.01)
E.	Cash and cash equivalents at the beginning of the period	**480.83**	1,231.71
F.	**Cash and cash equivalents at the end of the period (D+E)**	**5,857.44**	1,100.70

V-Mart Retail Limited

Special Purpose Interim Condensed Cash Flow Statement for the nine months ended December 31, 2020

(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

		For the nine months ended December 31, 2020	For the nine months ended December 31, 2019
Components of cash and cash equivalents			
Balances with banks			
- on current account		**2.04**	415.90
- on cash credit account		**78.24**	109.74
- Deposits with original maturity of less than three months		**5,490.00**	-
Cash on hand		**287.16**	575.06
		5,857.44	1,100.70
Summary of significant accounting policies	**Note 2.2**		

The accompanying notes are an integral part of the Special Purpose Interim Condensed Financial Statements.

As per our review report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: January 27, 2021

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

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V-Mart Retail Limited
Special Purpose Interim Condensed Statement of changes in equity for the nine months ended December 31, 2020
(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

A. Equity share capital

	No.	Amount
Balance as at April 1, 2019	18,129,993	1,813.00
Issue of equity share capital under Employee Stock Option Scheme	25,491	2.55
Balance as at December 31, 2019	18,155,484	1,815.55

	No.	Amount
Balance as at April 1, 2020	**18,155,484**	**1,815.55**
Issue of equity share capital under Employee Stock Option Scheme	**20,047**	**2.00**
Balance as at December 31, 2020	**18,175,531**	**1,817.55**

B. Other equity

Particulars	Securities premium reserve	Amalgamation reserve	Retained earnings	Shares option outstanding account	Total
Balance as at April 1, 2019	9,345.13	154.76	29,240.53	373.62	39,114.04
Profit for the period	-	-	5,778.03	-	5,778.03
Other Comprehensive Income (Remeasurement of defined benefit obligations)	-	-	(29.85)	-	(29.85)
Payment of dividend on equity shares #	-	-	(308.61)	-	(308.61)
Payment of dividend distribution tax	-	-	(63.44)	-	(63.44)
Recognition of share based payment expenses	-	-	-	221.87	221.87
Transfer from share option outstanding account on exercise of options	64.52	-	-	(64.52)	-
Received during the year against issue of shares to employees under ESOP scheme	131.00	-	-	-	131.00
Balance as at December 31, 2019	**9,540.65**	**154.76**	**34,616.66**	**530.97**	**44,843.04**

Particulars	Securities premium reserve	Amalgamation reserve	Retained earnings	Shares option outstanding account	Total
Balance as at April 1, 2020	**9,544.20**	**154.76**	**33,801.87**	**576.81**	**44,077.64**
Profit for the period	**-**	**-**	**(472.88)**	**-**	**(472.88)**
Other Comprehensive Income (Remeasurement of defined benefit obligations)	**-**	**-**	**(51.60)**	**-**	**(51.60)**
Payment of dividend on equity shares #	**-**	**-**	**-**	**-**	**-**
Payment of dividend distribution tax	**-**	**-**	**-**	**-**	**-**
Recognition of share based payment expenses	**-**	**-**	**-**	**(16.37)**	**(16.37)**
Transfer from share option outstanding account on exercise of options	**42.30**	**-**	**-**	**(42.30)**	**-**
Received during the year against issue of shares to employees under ESOP scheme	**92.22**	**-**	**-**	**-**	**92.22**
Balance as on Dec 31, 2020	**9,678.72**	**154.76**	**33,277.39**	**518.14**	**43,629.01**

Transactions with owners in their capacity as owners

Summary of significant accounting policies **Note 2.2**

The accompanying notes are an integral part of the Special Purpose Interim Condensed Financial Statements.

As per our review report of even date
For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

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

per **Vikas Mehra**
Partner
Membership Number: 094421

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Place: New Delhi
Date : January 27, 2021

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

1 Corporate Information

V-Mart Retail Limited (the 'Company'), incorporated on July 24, 2002, is a public limited company with its equity shares listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE). The Company retails readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India. The Company is domiciled in India with registered office situated at 610-611, Guru Ram Dass Nagar, Main Market, Opposite SBI Bank, Laxmi Nagar, New Delhi and corporate office situated at Plot No-862, Udyog Vihar Industrial Area, Phase V, Gurugram.

2 Significant accounting policies

2.1 Basis of preparation

These Special purpose interim condensed Ind AS financial statements of the Company, which comprise the Special purpose interim condensed balance sheet as at December 31, 2020; Special purpose interim condensed statement of Profit and Loss including the statement of Other Comprehensive Income; Special purpose interim condensed Cash Flow Statement and Special purpose interim condensed Statement of Changes in Equity for the period then ended and other select explanatory notes has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting". This unaudited special purpose interim condensed Ind AS financial statements has been prepared in connection with raising of funds in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBl ICDR Regulations").

The accounting policies adopted in the preparation of these unaudited special purpose interim condensed Ind AS financial statements are consistent with those followed in the preparation of the annual audited Ind AS financial statements for the year ended March 31, 2020. Further, certain selected explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in the financial position and performance since the last annual audited Ind AS financial statements.
The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements. The presentation and disclosure requirements of Guidance note to Schedule III are also complied with by the Company.

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 100,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.
An asset is treated as current when it is:
-Expected to be realised or intended to be sold or consumed in normal operating cycle.
-Held primarily for the purpose of trading.
-Expected to be realised within twelve months after the reporting period, or
-Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

-All other assets are classified as non-current.
A liability is current when:
-It is expected to be settled in normal operating cycle
-It is held primarily for the purpose of trading
-It is due to be settled within twelve months after the reporting period, or
-There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
-The Company classifies all other liabilities as non-current.
-Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

b. Foreign Currencies

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

Transactions in foreign currencies are initially recorded by the Company's at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses rate at the beginning of each month which is approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given below.

Disclosure for valuation method, significant estimates and assumption

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

d. Revenue from contract with customer

Revenue from contract with customer is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from contract with customer is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risk.

Sale of goods:

Revenue from sale of goods is recognised on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. It is the Company's policy to sell its products to the end customers with a right of return within 7 days. Historical experience is used to estimate and provide for such returns at the time of sales. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risk.

Loyalty points programme:

The Company has a loyalty points programme, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

Interest Income:

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Interest income is included in finance income in the Statement of Profit and Loss.

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability In a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

h. Depreciation on Property, plant and equipment

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is ready to put to use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Asset Category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Plant and equipment	6-9 years	15 years
Office equipment	5 years	5 years
Computers	3-6 years	3-6 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years

Leasehold improvements are amortized on a straight line basis over the period of lease.
The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company has adopted modified retrospective approach as per para C8(c)(ii) of IND AS 116 - "Leases" for its store, warehouse, office premises and other assets taken on leases, effective from the annual reporting period beginning April 1, 2019. Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Stores, ware house and office premises 9 to 15 years
• Plant and Machinery/ Office equipment 3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (l) Impairment of non-financial assets.

Lease Liabilities

The Company recognises lease liabilities at the present value of lease payments to be made over the remaining lease term effective April 1, 2019. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.
In calculating the present value of lease payments, the Company uses its incremental borrowing rate because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of rented premises, Plant and machinery and office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k. Inventories

Inventories are valued as follows:

a) Packing and accessories: At lower of cost and net realisable value. Cost represents purchase price and other direct costs and is determined on a "first in, first out" basis.

b) Traded goods: At lower of cost and net realisable value. Cost of inventories comprises all costs of purchase price and other incidental costs incurred in bringing the inventories to their present location and condition. Cost is determined based on first in first out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

l. Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life (including right of use assets).

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

Impairment losses are recognized in the statement of profit and loss.

m. Provisions and Contingent liabilities

Provisions

Provision are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligations, the provision is reversed.

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 unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is defined benefit plan and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each year. Actuarial gain and loss for defined plan benefit plan is recognized in full in the year in which occur in the statement of profit and loss.

Accumulated leave, which are expected to be utilized within the next twelve months are treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of unused entitlement that has accumulated at that reporting period.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:
(a) The date of the plan amendment or curtailment, and
(b) The date that the Company recognizes related restructuring costs
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(b) Net interest expense or income

o. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share Option Outstanding Account' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

p. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company classifies its financial assets in the following measurement categories:
- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
-Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
• Debt instruments at amortized cost
• Debt instruments at fair value through other comprehensive income (FVTOCI)
• Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
• Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss) or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
(ii) The asset's contractual cash flows represent SPPI.
Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Investments

Investments in mutual fund are measured at FVTPL.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financials assets) is primarily derecognised (i.e. removed from the company's balance sheet) when :

(i) The rights to receive cash flows from the assets have expired , or
(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

q. Segment reporting

Identification of segments:

Business segment:

The company operates in single segment of retails of readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India..

Geographical segment:

The analysis of geographical segments is based on the geographical location of the customers. The company operates in single geographical segment i.e. India.

r. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of Company's cash management.

s. Cash dividend and non-cash distribution to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

t. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

3 Commitments and Contingencies

i) Commitments

Particulars	**As at December 31, 2020**	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account not provided in books	**31.84**	105.28
	31.84	105.28

ii) Contingent liabilities

Particulars	**As at December 31, 2020**	As at March 31, 2020
Income tax[1]	**74.97**	74.97
Value added tax [2]	**435.56**	450.30
Service tax [3]	**30.33**	30.33
Payment of Bonus (Amendment) Act, 2015[4]	**107.61**	107.61
Minimum Wages Act, 1948[5]	**94.45**	94.45
Total Contingent Liabilities	**742.92**	757.66

Income Tax [1]

Demand amounting to Rs. 17.38 lakhs (March 31, 2020 : Rs. 17.38 lakhs) was raised by the income tax department for AY 13-14 and AY 16-17 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961 and other non deductible expenses. The Company has reduced the refund due to it against such demand. However, the Company has filed an appeal before CIT (A) for assessment year 13-14 and has also filed a rectification application for assessment year 16-17.

Demand amounting to Rs. 80.20 lakhs (March 31, 2020 : Rs. Nil) was raised by the income tax department for AY 17-18 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961, allowance of education cess, delay in payment of PF and disallowance of interest on delayed payment of Income Tax. The Company has reduced the refund due to it against such demand. However, the Company has filed an appeal an appeal before CIT (A).

Demand amounting to Rs. 74.97 lakhs (March 31, 2020 : Rs. Nil) was raised by the income tax department for AY 12-13 in respect of addition made on disallowance of certain purchases based on inadvertent assumption. The Company has reduced the refund due to it against such demand. However, the Company has filed an appeal an appeal before CIT (A). The Company does not believe any liability devolving against the Company.

Value added tax [2]

Rs. 426.55 lakhs (March 31, 2020: Rs. 450.30 lakhs) represents demand relating to the appropriateness of forms/ declaration made by the Company under relevant sales tax legislations which were primarily procedural and on interstate movement of goods. Pending final decisions, the Company has deposited amounts under protest with statutory authorities for certain cases amounting to Rs. 111.76 (March 31, 2020: Rs.120.26) .
Further, during the period ending December 31, 2020, the Company has received a demand of Rs 9.01 lakhs under section32/34/35 of Gujrat Value Added Tax, 2003 on account of mismatch of input tax credit claimed by the it.

Service tax [3]

Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1 2007 by the Finance Act, 2010, the Retailer Association of India (the Company being a member of such Association) has challenged the said levy and, inter-alia, its retrospective application. The Hon'ble Supreme Court has issued an interim order dated October 14, 2011, directing to deposit 50% of the arrears of service tax due upto September 30, 2011 and the balance, if any, at the time of final disposal of the appeal. The amount of service tax on rent in respect of rented stores from June 1, 2007 till September 30, 2011 amounted to Rs.108.26 lacs of which Rs.77.93 lacs has been provided for in the Statement of Profit and Loss till March 31, 2017 and the balance Rs.30.33 lacs has been disclosed as contingent liability as at reporting date. As per directions of the Hon'ble Supreme Court, the Company, has deposited Rs.37.69 lacs under protest with the concerned authorities and has disclosed this balance as "Service tax deposit" under other non-current assets.

Payment of Bonus (Amendment) Act, 2015[4]

The Payment of Bonus (Amendment) Act, 2015 dated December 31, 2015 (which was made effective from 1 April 2014) revised the thresholds for coverage of employees eligible for bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognizance of the stay granted by Hon'ble High Courts of Kerala (Ernakulam), Karnataka (Bengaluru), Uttar Pradesh (Allahabad) and Madhya Pradesh (Indore) and pending disposal of such matter, the Company, in accordance with the Payment of Bonus (Amendment) Act, 2015, has only recognized an additional expense of Rs.213.81 lakhs for the period April 1, 2015 to March 31, 2016 during year ended March 31, 2016 and has not recognised the differential amount of bonus of Rs.107.61 lakhs for the period April 1, 2014 to March 31, 2015.

Minimum Wages Act, 1948[5]

Rs.94.45 lakhs (March 31, 2020 :Rs.63.98 lakhs) represents demand under imposed by the labour enforcement officer under The Minimum Wages Act, 1948 mainly on classification of employees into skilled, semi-skilled and un-skilled. The Company has contested the demand and does not anticipate any material liability devolving on the Company.

Further there are various labour, legal metrology, food adulteration and cases under other acts pending against the Company, the liability of which cannot be ascertained. However, management does not expect significant or material liability devolving on the Company.

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(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

4 Related party disclosures

(a) Names of related parties and related party relationship

Names of related parties where control exists

Conquest Business Services Private Limited	Entity along with promotor holding having control
Key managerial personnel	
Mr. Lalit Madangopal Agarwal	Managing Director
Mr. Madan Gopal Agarwal	Whole-time Director
Mr. Aakash Moondhra	Independent Director
Mr. Murli Ramachandran	Independent Director
Ms. Sonal Mattoo	Independent Director
Mr. Govind Shridhar Shrikhande	Independent Director
Mr. Anand Agarwal	Chief financial officer
Mrs. Megha Tandon	Company Secretary
Relative of Key managerial personnel	
Mrs. Sangeeta Agarwal	Wife of Mr. Lalit Madangopal Agarwal
Mrs. Uma Devi Agarwal	Wife of Mr. Madan Gopal Agarwal and Mother of Mr. Lalit Madangopal Agarwal
Mr. Snehal Shah	Son-in-law of Mr. Madan Gopal Agarwal
Mr. Hemant Agarwal	Son of Mr. Madan Gopal Agarwal and Brother of Mr. Lalit Madangopal Agarwal
Mrs. Smiti Agarwal	Daughter -in-law of Mr. Madan Gopal Agarwal
Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel*	
Lalit M Agarwal (HUF)	HUF in which Mr. Lalit Madangopal Agarwal is Karta
Hemant Agarwal (HUF)	HUF in which Mr. Hemant Agarwal is Karta
V-Mart Foundation	Trust in which Mr. Lalit Madangopal Agarwal and Mrs. Sangeeta Agarwal is trustee

*Where transactions have occurred.

(b) The following transactions were carried out with related parties in the ordinary course of business:

Description	**Key managerial personnel**		**Relatives of key managerial personnel**		**Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel**	
	For nine months ended December 31, 2020	For nine months ended December 31, 2019	**For nine months ended December 31, 2020**	For nine months ended December 31, 2019	**For nine months ended December 31, 2020**	For nine months ended December 31, 2019
Managerial remuneration*						
Mr. Lalit Madangopal Agarwal	**110.19**	213.12	-	-	-	-
Mr. Madan Gopal Agarwal	**20.74**	51.20	-	-	-	-
Post employment benefits - Gratuity						
Mr. Lalit Madangopal	**0.43**	-	-	-	-	-
Mr. Madan Gopal Agarwal	**0.06**	-	-	-	-	-
Independent directors' commission						
Mr. Aakash Moondhra	-	14.45	-	-	-	-
Mr. Murli Ramachandran	-	14.45	-	-	-	-
Ms. Sonal Mattoo	-	14.45	-	-	-	-
Mr. Govind Sridhar Shrikhande	-	14.45	-	-	-	-
Director sitting fees						
Mr. Aakash Moondhra	**2.00**	1.50	-	-	-	-
Mr. Murli Ramachandran	**2.00**	1.50	-	-	-	-
Ms. Sonal Mattoo	**2.00**	1.50	-	-	-	-
Mr. Govind Sridhar Shrikhande	**2.00**	1.50	-	-	-	-

Description	**Key managerial personnel**		**Relatives of key managerial personnel**		**Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel**	
	For nine months ended December 31, 2020	For nine months ended December 31, 2019	**For nine months ended December 31, 2020**	For nine months ended December 31, 2019	**For nine months ended December 31, 2020**	For nine months ended December 31, 2019
Salaries, wages and bonus #						
Mr. Anand Agarwal	**63.38**	76.04	-	-	-	-
Mr. Snehal Shah	-	-	**37.89**	47.26	-	-
Mrs. Megha Tandon	**4.65**	6.99	-	-	-	-
ESOP issued						
Mr. Anand Agarwal	-	16.99	-	-	-	-
Mr. Snehal Shah	-	-	-	7.66	-	-
Dividend paid						
Mr. Hemant Agarwal	-	-	-	0.94	-	-
Lalit Agarwal (HUF)	-	-	-	-	-	21.71
Hemant Agarwal (HUF)	-	-	-	-	-	5.73
Mrs. Smiti Agarwal	-	-	-	6.18	-	-
Conquest Business Services Pvt. Ltd.	-	-	-	-	-	127.33

***Managerial remuneration comprises of the following:-**

	For nine months ended December 31, 2020	For nine months ended December 31, 2019
Remuneration (excluding post employment benefits)	**63.44**	87.52
Commission	-	111.73
Perquisites	**67.50**	65.07
	130.94	264.32

Gross salary as per pay sheet including bonus, contribution to PF and LWF. It does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the company as a whole. Further, it does not include perquisites on ESOP considered for income tax purposes on the date of exercise of option.

(c) Balance at the end of year

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	As at December 31, 2020	As at March 31, 2020	**As at December 31, 2020**	As at March 31, 2020	**As at December 31, 2020**	As at March 31, 2020
Remuneration/salary payable (net of TDS)						
Mr. Lalit Madangopal Agarwal	**15.10**	27.12	-	-	-	-
Mr. Madan Gopal Agarwal	**1.80**	18.39	-	-	-	-
Loan and Advance						
Mr. Anand Agarwal	**5.35**	-	-	-	-	-
Mr. Snehal Shah	-	-	**11.27**	-	-	-
Independent directors' commission payable (net of TDS)						
Mr. Aakash Moondhra	-	8.21	-	-	-	-
Mr. Murli Ramachandran	-	8.21	-	-	-	-
Mr. Govind Sridhar Shrikhande	-	11.65	-	-	-	-
Ms. Sonal Mattoo	-	11.65	-	-	-	-

5 Material additions and deletions in property, plant and equipment and intangible asssets are as follows:

	For nine months ended December 31, 2020		For nine months ended December 31, 2019	
Particluars	**Additions**	**Deletions**	**Additions**	**Deletions**
Plant and Equipment	**661.99**	**184.19**	1,752.19	92.06
Office equipment	**33.90**	**10.98**	112.12	7.75
Leasehold Improvements	**4.29**	**8.99**	73.64	18.31
Computer equipment	**44.36**	**3.21**	304.24	6.48
Furniture and fixtures	**969.69**	**122.47**	1,702.01	70.81
Vehicles	**18.50**	**3.67**	65.38	-
Intangible assets				
Computer software	**36.76**	**31.55**	77.35	0.27

6 The Company on a periodic basis assesses the markdown of its aged and obsolete inventories (including shrinkage due to various reasons). The exercise has been carried out throughout the period. The estimated markdown including shrinkage in consumption of stock-in -trade amounts to Rs.3,217.06 lakhs [March 31, 2020: Rs. 3,502.15 lakhs]. The management is confident that above estimation is adequate both in line with the industry standards and as well as considering the current COVID-19 situation. Also refer note 8 below

7 There is no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments during the period ended December 31, 2020

8 **Segment information**
Ind AS 108 establishes standards for the way that the Company report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations comprises of only one segment i.e. Retail sale business of various merchandise products. The Company operates primarily in India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment. Based on the "management approach" as defined in Ind AS 108, The management also reviews and measure the operating results taking the whole business as one segment. In view of the same, separate segment information is not required to be given as per the requirements of Ind AS 108 on "Operating Segments". The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in the segment, and are as set out in the significant accounting policies.

9 COVID-19 pandemic has a significant impact on the business operations and financial statements of the Company for the period ended December 31, 2020. With easing lockdown and opening of economic activities, the Company believes that the Company's operations will increase and expects the momentum to continue with an overall improvement in COVID-19 situation. The Company believes that the pandemic is not likely to impact the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories, etc. Further, it has re-assessed the provision for inventory markdown and shrinkage, which is inline with the present situation and current indicators of future economic conditions

As the pandemic is still not over, the management believes that the situation is evolving, and accordingly the underlying assumptions and estimates used to prepare the Company's financial statements, may differ from that considered as at the date of approval of these financial statements. Further, the numbers of nine months ended December 31, 2020 are not Comparable to previous nine months ended December 31, 2019 because of the aforementioned pandemic situation

As per our review report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

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

per **Vikas Mehra**
Partner
Membership Number: 094421

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Place: New Delhi
Date : January 27, 2020

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

22 Revenue from contracts with customers

	For the year ended December 31, 2020	For the year ended December 31, 2019
Sale of traded goods	**72,262.11**	132,889.82
Other operating revenue	**96.65**	46.26
	72,358.76	132,936.08

23 Other income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Liabilities written back	**47.96**	66.81
Profit on sale of investments (net)	**4.89**	181.49
Profit on sale of fixed assets	**-**	-
Income on investment designated at FVTPL	**49.00**	24.31
Miscellaneous income	**1,446.67**	20.16
	1,548.52	292.77

24 Finance income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest income on items at amortised cost		
Bank deposits	**19.28**	6.58
Interest on fair valuation of security deposits	**101.83**	68.87
Others	**-**	1.19
	121.11	76.64

25 Purchase of traded goods

	For the year ended December 31, 2020	For the year ended December 31, 2019
Purchase of traded goods	**29,645.62**	100,101.97
	29,645.62	100,101.97

26 (Increase) in inventories

	For the year ended December 31, 2020	For the year ended December 31, 2019
Inventories at the end of the period		
Traded goods (including stock in transit)	**29,641.97**	43,934.41
Packing material and accessories	**139.63**	212.84
	29,781.60	44,147.25
Inventories at the beginning of the period		
Traded goods (including stock in transit)	**47,556.44**	32,664.52
Packing material and accessories	**235.80**	233.89
	47,792.24	32,898.41
	18,010.64	(11,248.84)

27 Employee benefits expense

	For the year ended December 31, 2020	For the year ended December 31, 2019
Salaries, wages and bonus	**6,991.36**	9,782.21
Gratuity Expenses (refer note 37)	**151.66**	113.13
Employee stock option scheme (refer note 38)	**-**	221.87
Contribution to provident and other funds	**539.48**	701.28
Staff welfare	**451.50**	868.86
	8,134.00	11,687.35

28 Other expenses

	For the year ended December 31, 2020	For the year ended December 31, 2019
Rent	**-**	725.59
Expense on fair valuation of security deposits	**-**	72.51
Power and fuel	**2,605.12**	4,137.80
Advertisement and sales promotion	**1,122.86**	2,963.09
Packing materials and expenses	**457.88**	931.51
Repairs and maintenance		
-Building	**168.78**	172.19
-Others	**651.75**	1,105.26
Commission	**87.43**	124.06
Security expenses	**293.90**	1,140.48
Communication	**104.61**	116.80
Travelling and conveyance	**110.83**	413.60
Credit card and cash collection charges	**244.16**	364.39
Rates and taxes	**51.54**	54.19
Vehicle running expenses	**128.28**	136.10
Legal and professional	**377.24**	493.46
Printing and stationery	**27.89**	68.06
Payment to auditors (refer details below "A")	**31.74**	32.34
Insurance	**77.37**	68.29
Loss on sale / write-off of fixed assets	**46.13**	80.31
Provision for doubtful advances	**17.18**	62.46
Balances written off	**5.85**	3.88
Expenses on CSR activities (refer details below "B")	**102.00**	328.11
Donations	**-**	0.03
Commission to independent directors	**-**	57.79
Directors' sitting fees	**8.00**	6.00
Miscellaneous expenses	**82.62**	145.89
	6,803.16	13,804.19

A. Payment to Auditors

	For the year ended December 31, 2020	For the year ended December 31, 2019
As auditor:		
Audit fee (including limited reviews)	**30.13**	28.75
Tax audit fee	**-**	-
Reimbursement of expense	**1.61**	3.59
	31.74	32.34

B. Details of CSR expenditure

		For the year ended December 31, 2020	For the year ended December 31, 2019
(a)	Gross amount required to be spent by the Company during the period	**186.28**	187.46
(b)	Amount spent during the period ended December 31, 2020		
	i) Construction/ acquisition of any assets		
	Paid during the period	**-**	-
	Yet to be paid	**-**	-
	ii) on purchase other than (i) above		
	Paid during the period	**102.00**	238.11
	Yet to be paid	**84.28**	(50.65)

29 Exceptional items

	For the year ended December 31, 2020	For the year ended December 31, 2019
Impairment in value of investments	**-**	-
	-	-

During the previous year, the Company had made investment in commercial papers of Infrastructure Leasing &Financial Services (IL&FS) amounting to Rs. 979.94 lakhs, which were due for redemption on September 18, 2018. The aforesaid amount and interest thereon have, however, not been received as on date. In view of the fact that there is significant uncertainty on recovery of the entire amount, the management has made a provision of full amount Rs. 979.94 lakhs as at December 31, 2019. The Company, however, continues to monitor developments on this matter and is committed to take steps including further legal actions that may be necessary to ensure full recoverability.

(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

30 Finance costs

	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest		
- on lease liability	**4,219.21**	3,817.99
- on cash credit facilities	**178.00**	251.33
Other borrowing costs	**33.74**	22.40
	4,430.95	4,091.72

31 Depreciation and amortisation expense

	For the year ended December 31, 2020	For the year ended December 31, 2019
Depreciation of tangible assets	**2,636.66**	2,420.59
Depreciation of right-of-use assets	**5,024.36**	4,450.51
Amortisation of intangible assets	**80.54**	-
	7,741.56	6,871.10

32 Tax expense and tax reconciliation

The major components of income tax expense for the periods ended December 31, 2020 and December 31, 2019 are:

(a) Tax expenses

	For the year ended December 31, 2020	For the year ended December 31, 2019
Current tax		
Current income tax charge	**393.16**	2,557.88
Adjustments in respect of current income tax of previous period	**-**	-
	393.16	2,557.88
Deferred tax		
Decrease/(increase) in deferred tax assets	**(2,276.40)**	(347.95)
(Decrease)/increase in deferred tax liabilities	**1,601.23**	-
	(675.17)	(347.95)
Income tax expense reported in the statement of profit or loss	**(282.01)**	2,209.93
Comprises of :-		
Total tax expense as per Statement of profit and loss	**(264.66)**	**2,219.97**
Deferred tax related to items recognised in OCI on remeasurements of defined benefit plans	**(17.35)**	10.04

(b) Income tax expense for the period reconciled to the accounting profit

	For the year ended December 31, 2020	For the year ended December 31, 2019
Profit before tax	**(737.54)**	7,998.00
Income tax expense calculated @ 25.168%& (December 31, 2019: 34.944%) plus interest under Section 234C of Income Tax Act, 1961	**(185.64)**	2,023.90
Tax effect of amounts that are not deductible in calculating taxable expense:		-
Permanent differences	**19.80**	76.87
Deduction claimed on employee benefits	**(132.75)**	(230.35)
Impact of change in tax rate	**(11.31)**	330.96
Others	**27.74**	7.79
Total	**(282.16)**	2,209.17
Adjustment in respect of current income tax of previous period	**-**	-
Income tax expense recognised in statement of profit and loss	**(282.16)**	2,209.17

(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)

33 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the period attributable to equity holders by the weighted average number of Equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued under ESOP Scheme to employees.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Profit after tax	**(472.88)**	5,778.03
Nominal value per share (in Rs.)	**10.00**	10.00
Weighted average number of Equity shares for basic EPS	**181.68**	181.48
Effect of dilution:		
- Issuance of shares under ESOP	**0.31**	0.23
Weighted average number of Equity shares adjusted for the effect of dilution	**181.98**	181.72
Earnings per share (in Rs.)		
Basic earnings per share	**(2.60)**	20.15
Diluted earnings per share	**(2.60)**	20.12

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INDEPENDENT AUDITOR'S REPORT

To the Members of V-Mart Retail Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of V-Mart Retail Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to note no. 49 to the Ind AS financial statement, which describes the uncertainties and impact of COVID-19 pandemic on the Company's operations and results as assessed by the management. Our opinion in is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of impact of Corona Virus Disease (COVID-19) on existence and valuation of inventory with respect to estimated markdown due to slow moving and obsolete inventories (including shrinkage) (as described in note 33, 45 and 49 of the Ind AS financial statements)	
As at March 31, 2020, the carrying value of inventories (including packing and accessories) amounted to Rs. 47,792.24 lakhs, after considering markdown on account of slow moving and obsolete inventory and shrinkage of Rs. 2,053.00 lakhs.	As a part of our audit we have, carried out the following procedures: We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over receipts, sorting and tagging and dispatch of inventories to various stores, maintenance of stock records and assessment of carrying value of inventory including markdown.

INDEPENDENT AUDITOR'S REPORT

To the Members of V-Mart Retail Limited

Key audit matters	How our audit addressed the key audit matter
The prevalent financial, economic and health crises caused due to global pandemic – COVID-19, which has impacted the business operations of the Company has a further impact on the assessment of existence and valuation of inventory. Accordingly, the Company has assessed inventory levels at warehouse and stores and re-evaluated the process of determining the markdown to be made to the inventory including shrinkage. It involves significant estimates of anticipated future recoverability of such inventory items, the estimated costs to sell (if any) and after taking into consideration the potential impact of COVID 19. Further, due to restrictions caused by lockdown imposed by Central and State Governments effective March 23, 2020 resulting in restrictions on movement of people from one State to another, we have performed alternate additional procedures in respect of observation of inventories at the warehouse and few stores when restrictions were partially eased and local client personnel were able to conduct stock counts. Since, it involves significant management's judgement and estimate and significant event occurred during the year, this area has been treated as a Key Audit Matter.	We obtained ageing of inventory and tested on a sample basis the ageing of inventories and have further obtained calculation for inventory markdown from the Company. We have re-performed the calculation of the inventory markdown as per the policy of the Company basis the historic and anticipated sales trend. We have assessed the evaluation of markdown and estimated loss on account of inventory shrinkage based on various factors such as historical and anticipated sales performance of the products and average value of inventory loss from last inventory count as a % of sales respectively. We assessed the adequacy of the disclosures concerning this in Note 33 on significant accounting estimates and judgements and Note 45 to the financial statements. We have obtained an understanding of the process and reviewed the management documentation and controls over the physical count of inventories at stores and warehouse. We have observed physical verification of inventory carried out by the management at some of the stores selected on random basis covered by the perpetual count prior to lockdown. We have obtained the stock count report conducted by the stock auditor and have traced their report to the shrinkage actualized during the year. Additional procedures performed wherein we could not attend stock count due to lockdown includes engagement of an independent auditor (chartered accountant) to observe the stock count under our supervision. Issued instructions for stock count and obtained responses Traced the samples tested and adjustments made to the inventory records of the Company. Rolled back the stock as on date of stock count to March 31, 2020. Performed analytical procedures on stock as on March 31, 2020 and March 31, 2019. We have obtained management representation in respect of control over inventory count procedures and appropriateness of management assessment for estimated markdown due to slow moving and obsolete inventories (including shrinkage).

Key audit matters	How our audit addressed the key audit matter
Impact of Ind AS 116 effective from April 1, 2019 (Refer note 2.3 and 47 of the Ind AS financial statements)	
The Company has adopted modified retrospective approach as per para C8(c)(ii) of IND AS 116 - "Leases" for its store, warehouse, office premises and other assets taken on leases, effective from the annual reporting period beginning April 1, 2019. We considered the first-time application of the standard as a key audit matter, on leases (including the corresponding tax treatment), due to significant judgement required in the assumptions and estimates used to determine the ROU asset and lease liability, viz assessment of lease term (including modification terms) and determination of appropriate incremental borrowing rate. The first-time adoption of the standard resulted in the recognition, as at April 1, 2019 has resulted in recognizing a right to use assets (an amount equal to the lease liability, adjusted by the prepaid lease rent) of Rs.39,859.07 lakhs. As at March 31, 2020, the carrying value of right to use assets and lease liability leased amounts to Rs. 49,221.06 lakhs and Rs. 51,566.45 lakhs respectively. In the statement of profit and loss for the current year, the nature of expenses for operating leases has changed from lease rental in previous year to depreciation cost on right to use assets and finance cost on leased liabilities. The net impact due to first time adoption of Ind AS 116 is adequately disclosed in the notes to accounts.	As a part of our audit we have, carried out the following procedures: We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over evaluation of lease agreement and preparation of working of Ind AS 116 including judgement involved (if any). We have obtained working of Ind AS 116, test checked the lease terms with the underlying lease agreements. We have evaluated management assessment with respect to lease bucketing, discount rate, leases under renewal process and value of assets considered for Ind AS 116, etc. We have performed testing of mathematical accuracy of the working of Ind AS 116. We have assessed that accounting has been made as per Ind AS-116 in line with para C8(c)(ii) of IND AS 116. We have assessed the adequacy of the disclosures made in the financial statements. We have obtained management representation with respect to various estimates and judgements involved.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 35 (ii) to the Ind AS 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 **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Per **Vikas Mehra**
Partner
Membership Number: 094421
UDIN: 20094421AAAABS9041

Place of Signature: New Delhi
Date: May 29, 2020

ANNEXURE 1

referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report

Re: V-Mart Retail Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for location of few assets which are transferred from one store to another.

(b) All fixed assets have not been physically verified by the management during the year but there is regular 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.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals. Discrepancies noted on physical verification were material and have been properly dealt with in the books of accounts.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company. Accordingly, the provision of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provision relating to duty of custom and duty of excise is not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provision relating to duty of custom and duty of excise is not applicable to the Company.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, value added tax and cess on account of any dispute, are as follows:

Name of Statue	Nature of Dues	Amount (in Rs. lakhs)	Amount paid under protest (in Rs. lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service tax	68.86	37.72	June 1, 2007 to March 31, 2010	The Hon'ble Supreme Court of India
The Income Tax Act, 1961	Income tax	14.59	-	FY 2012-13 & FY 2015-16	Commissioner Income Tax, Kolkata
The Income Tax Act, 1961	Income tax	80.20	-	FY 2016-17	Commissioner Income Tax, Kolkata
The Income Tax Act, 1961	Income tax	74.97	-	FY 2011-12	Commissioner Income Tax, Kolkata
The Bihar Value Added Tax 2005	Value added tax	402.79	80.56	FY 2012-13 & FY 2013-14	Joint Commissioner of Commercial tax Patna
The Uttar Pradesh, 2008	Value added tax	6.14	6.14	FY 2012-13	Assistant Commissioner Tax, Ghaziabad
The Uttar Pradesh, 2008	Value added tax	8.76	8.76	FY 2013-14	Mobile Squad Unit -1 Muzaffarnagar
The Uttar Pradesh, 2008	Value added tax	12.55	12.55	FY 2015-16	Assistant commissioner (Mobile Squad) Tax, Ghaziabad
The Uttar Pradesh, 2008	Value added tax	8.60	0.61	FY 2016-17	Sales Tax Department, U.P.
The Uttarakhand Value Added Tax Act, 2005	Value added tax	1.90	1.90	FY 2016-17	Additional Commissioner Tax – Uttarakhand
Haryana Value Added Tax Act, 2003	Value added tax	5.00	5.00	FY 2015-16	Haryana High Court
The Uttar Pradesh, 2008	Value added tax	2.96	-	FY 2016-17	Additional Commissioner Grade -2 Appeal, Muzaffarnagar
Punjab Value Added Tax Act, 2005	Value added tax	0.12	-	FY 2012-13	Deputy Excise & Taxation Commissioner, Jalandhar Division
The Uttarakhand Value Added Tax Act, 2005	Value added tax	0.71	-	FY 2016-17	Joint Commissioner (Appeal), Dehradun
Total		688.15	153.24		

ANNEXURE 1

referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report

(vii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any loans or borrowings from government or dues to debenture holders.

(viii) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(ix) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(x) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xi) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiii) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon

(xiv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xv) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Per **Vikas Mehra**
Partner
Membership Number: 094421
UDIN: 20094421AAAABS9041

Place of Signature: New Delhi
Date: May 29, 2020

and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    (b) In our opinion, proper as required by law have been kept by the Company so far as it appears from our examination of those books;

    (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

    (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

    (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

    (h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

    (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 35 (ii) to the Ind AS 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 **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Per **Vikas Mehra**
Partner
Membership Number: 094421
UDIN: 20094421AAAABS9041

Place of Signature: New Delhi
Date: May 29, 2020

ANNEXURE 2

to The Independent Auditor's Report of Even Date On The Financial Statements Of V-Mart Retail Limited

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

We have audited the internal financial controls over financial reporting of V-Mart Retail limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31,2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Per **Vikas Mehra**
Partner
Membership Number: 094421
UDIN: 20094421AAAABS9041

Place of Signature: New Delhi
Date: May 29, 2020

BALANCE SHEET as at March 31, 2020

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	17,127.15	16,220.79
Right-of-use assets	47	49,211.06	-
Capital work in progress	3	246.69	400.98
Intangible assets	4	365.87	328.67
Financial assets			
Investments	5	331.54	982.48
Loans	7	1,188.50	960.17
Other financial assets	8	125.22	117.65
Deferred tax assets (net)	9	1,601.23	1,182.99
Other non-current assets	10	408.62	832.12
		70,605.88	**21,025.85**
Current assets			
Inventories	11	47,792.24	32,898.41
Financial assets			
Investments	6	457.47	5,085.29
Loans	7	3.44	5.61
Cash and cash equivalents	12	489.59	1,488.69
Other bank balances	13	9.26	426.88
Other current assets	10	3,006.90	2,253.22
		51,758.90	**42,158.10**
		122,364.78	**63,183.95**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,815.55	1,813.00
Other equity	15	44,077.64	39,114.04
		45,893.19	**40,927.04**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	-	2.60
Lease liabilities	47	43,783.81	-
Other financial liabilities	19	-	599.51
Employee benefit obligations	20	612.26	510.77
		44,396.07	**1,112.88**
Current liabilities			
Financial liabilities			
Borrowings	17	104.65	-
Lease liabilities	47	7,782.64	-
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	18	5,043.66	2,362.61
b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	14,635.31	12,463.39
Other financial liabilities	19	2,608.14	4,233.95
Employee benefit obligations	20	254.92	211.64
Liabilities for current tax (net)	20	967.05	971.75
Other current liabilities	21	679.15	900.69
		32,075.52	**21,144.03**
		122,364.78	**63,183.95**
Summary of significant accounting policies	2.2		

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

As per our report of even date
For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: May 29, 2020

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2020

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
REVENUE			
Revenue from contracts with customers	22	166,202.33	143,374.48
Other income	23	347.22	411.79
Finance income	24	100.74	180.51
Total Revenues (I)		**166,650.29**	**143,966.78**
EXPENSES			
Purchase of traded goods	25	127,520.03	99,216.07
(Increase) in inventories	26	(14,893.83)	(2,187.21)
Employee benefits expense	27	15,362.51	12,572.51
Finance costs	30	5,478.39	161.27
Depreciation and amortization expense	31	9,392.28	2,762.57
Other expenses	28	16,837.89	20,480.53
Total Expenses (II)		**159,697.27**	**133,005.74**
Profit before exceptional items and tax (I)-(II)		**6,953.02**	**10,961.04**
Exceptional items	29	-	979.94
Profit before tax		**6,953.02**	**9,981.10**
Tax expense			
Current tax	32	2,436.35	4,062.21
Deferred tax	32	(417.86)	(243.73)
Total tax expense		**2,018.49**	**3,818.48**
Profit for the year		**4,934.53**	**6,162.62**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		(1.52)	(54.83)
Income tax on above		0.38	19.16
Total other comprehensive income		**(1.14)**	**(35.67)**
Total comprehensive income for the year		**4,933.39**	**6,126.95**
Earnings per share [nominal value of share ₹ 10 (March 31, 2019: ₹ 10)]			
Basic		27.18	34.01
Diluted		27.17	33.90
Summary of significant accounting policies	2.2		

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

As per our report of even date
For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: May 29, 2020

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2020

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

A. Equity share capital

	No.	Amount
Balance as on April 1, 2018	18,097,355	1,809.74
Issue of equity share capital under Employee Stock Option Scheme	32,638	3.26
Balance as on March 31, 2019	18,129,993	1,813.00
Issue of equity share capital under Employee Stock Option Scheme	25,491	2.55
Balance as on March 31, 2020	**18,155,484**	**1,815.55**

B. Other Equity

Particulars	Securities premium reserve	Amalgamation reserve	Retained earnings	Shares option outstanding account	Total
Balance as on April 1, 2018	9,068.06	154.76	23,550.56	161.02	32,934.40
Profit for the year	-	-	6,162.62	-	6,162.62
Other Comprehensive Income (Remeasurement of defined benefit obligations)	-	-	(35.67)	-	(35.67)
Payment of dividend on equity shares#	-	-	(362.47)	-	(362.47)
Payment of dividend distribution tax	-	-	(74.51)	-	(74.51)
Recognition of share based payment expenses	-	-	-	306.53	306.53
Transfer from share option outstanding account on exercise of options	93.93	-	-	(93.93)	-
Received during the year against issue of shares to employees under ESOP scheme	183.14	-	-	-	183.14
Balance as on March 31, 2019	**9,345.13**	**154.76**	**29,240.53**	**373.62**	**39,114.04**
Profit for the year	-	-	**4,934.53**	-	**4,934.53**
Other Comprehensive Income (Remeasurement of defined benefit obligations)	-	-	**(1.14)**	-	**(1.14)**
Payment of dividend on equity shares #	-	-	**(308.61)**	-	**(308.61)**
Payment of dividend distribution tax	-	-	**(63.44)**	-	**(63.44)**
Recognition of share based payment expenses	-	-	-	**271.26**	**271.26**
Transfer from share option outstanding account on exercise of options	**68.07**	-	-	**(68.07)**	-
Received during the year against issue of shares to employees under ESOP scheme	**131.00**	-	-	-	**131.00**
Balance as on March 31, 2020	**9,544.20**	**154.76**	**33,801.87**	**576.81**	**44,077.64**
#Transactions with owners in their capacity as owners					
Summary of significant accounting policies		2.2			

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

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: May 29, 2020

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

CASH FLOW STATEMENT for the year ended March 31, 2020

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Operating activities			
Profit before Income tax		6,953.02	9,981.10
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortization expense		9,392.28	2,675.76
Loss on sale / write-off of fixed assets		118.08	69.74
Employee stock option expense		271.26	306.53
Provision against doubtful advances		142.50	19.87
Balances written off		18.15	17.25
Impairment in value of investments		-	979.94
Finance costs		5,478.39	161.27
Expense on fair valuation of security deposits		-	76.63
Interest income		(100.74)	(180.51)
Profit on sale of investments (net)		(184.86)	(184.12)
Income on investment designated at FVTPL		(32.51)	(66.97)
Liabilities written back		(98.06)	(148.48)
Operating profit before working capital changes		**21,957.51**	**13,708.01**
Changes in working capital :			
Decrease / (increase) in financial assets		627.40	(315.52)
(Increase) in other assets		(850.16)	(883.14)
(Increase) in inventories		(14,893.83)	(2,187.21)
Increase / (decrease) in trade payables		4,951.03	(1,852.20)
(Decrease) / increase in other financial liabilities		(1,072.10)	2,233.82
Increase in other liabilities		180.46	4.58
Increase in provisions		143.25	247.43
Cash flow from operations		**11,043.56**	**10,955.77**
Taxes paid (net of refunds)		(2,413.72)	(3,321.47)
Net cash flow from operating activities		**8,629.84**	**7,634.30**
B. Investing activities			
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances		(6,141.59)	(4,068.99)
Purchase of investments		(23,793.91)	(47,027.65)
Proceeds from sale of investments		29,290.04	43,634.34
Proceeds from sale of fixed assets		679.08	3.83
Interest received		6.68	107.93
Movement in pledged fixed deposits (including earmarked balances with bank net of liabilities)		10.98	13.37
Net cash from / (used in) investing activities		**51.28**	**(7,337.17)**

CASH FLOW STATEMENT for the year ended March 31, 2020

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
C. Financing activities			
Proceeds from issue of equity shares including securities premium		133.55	186.40
Repayment of long term borrowings		(29.65)	(27.28)
Proceeds from short term borrowings (net)		104.65	-
Equity dividend paid		(308.61)	(362.47)
Corporate dividend tax paid		(63.44)	(74.51)
Lease payment made (net of sublease income)		(3,789.89)	-
Finance charges paid		(5,478.61)	(161.27)
Net cash (used in) financing activities		**(9,432.00)**	**(439.13)**
D. Net decrease in cash and cash equivalents (A+B+C)		(750.88)	(142.00)
E. Cash and cash equivalents at the beginning of the year		1,231.71	1,373.71
F. Cash and cash equivalents at the end of the year (D+E)		**480.83**	**1,231.71**
(Refer note 12).			
Components of cash and cash equivalents			
Balances with banks			
- on current account		1.95	94.34
- on cash credit account		394.93	131.33
Cash on hand		83.95	1,006.04
		480.83	**1,231.71**
Summary of significant accounting policies	2.2		

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

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: May 29, 2020

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

1 Corporate Information

V-Mart Retail Limited (the 'Company'), incorporated on July 24, 2002, is a public limited company with its equity shares listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE). The Company retails readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India. The Company is domiciled in India with registered office situated at 610-611, Guru Ram Dass Nagar, Main Market, Opposite SBI Bank, Laxmi Nagar, New Delhi and corporate office situated at Plot No-862, Udyog Vihar Industrial Area, Phase V, Gurugram.

The financial statements of the Company for the year ended March 31, 2020 are authorised for issue on May 29, 2020 in accordance with a resolution of the Board of Directors.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the FS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value;
- Defined benefit plans – plan assets measured at fair value;
- Share based payments;

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 100,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

Expected to be realised or intended to be sold or consumed in normal operating cycle.

Held primarily for the purpose of trading.

Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b. Foreign Currencies

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information is presented in "lakhs", except where otherwise stated.

Transactions in foreign currencies are initially recorded by the Company's at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses rate at the beginning of each month which is approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. **Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosure for valuation method, significant estimates and assumption (note 34)
- Quantitative disclosures of fair value measurement hierarchy (note 44)
- Financial instruments (including those carried at amortized cost) (note 44 and 43)

d. Revenue from contract with customer

Revenue from contract with customer is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from contract with customer is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risk.

Sale of goods:

Revenue from sale of goods is recognised on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. It is the Company's policy to sell its products to the end customers with a right of return within 7 days. Historical experience is used to estimate and provide for such returns at the time of sales. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risk.

Loyalty points programme:

The Company has a loyalty points programme, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

The Company during the year has discontinued the customer loyalty program.

Interest Income:

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Interest income is included in finance income in the Statement of Profit and Loss.

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability In a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

h. Depreciation on Property, plant and equipment

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is ready to put to use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets-the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Asset Category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Plant and equipment	6-9 years	15 years
Office equipment	5 years	5 years
Computers	3-6 years	3-6 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset"

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company has adopted modified retrospective approach as per para C8(c)(ii) of IND AS 116 - "Leases" for its store, warehouse, office premises and other assets taken on leases, effective from the annual reporting period beginning April 1, 2019. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Stores, ware house and office premises
  9 to 15 years
- Plant and Machinery/ Office equipments
  3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (l) Impairment of non-financial assets.

Lease Liabilities

The Company recognises lease liabilities at the present value of lease payments to be made over the remaining lease term effective April 1, 2019. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. In calculating the present value of lease payments, the Company uses its incremental borrowing rate because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset."

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of rented premises, Plant and machinery and office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k. Inventories

Inventories are valued as follows:

a) **Packing and accessories:** At lower of cost and net realisable value. Cost represents purchase price and other direct costs and is determined on a “first in, first out” basis.

b) **Traded goods:** At lower of cost and net realisable value. Cost of inventories comprises all costs of purchase price and other incidental costs incurred in bringing the inventories to their present location and condition. Cost is determined based on first in first out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

l. Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life (including right of use assets).

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

Impairment losses are recognized in the statement of profit and loss.

m. Provisions

Provision are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligations, the provision is reversed.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is defined benefit plan and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each year. Actuarial gain and loss for defined plan benefit plan is recognized in full in the year in which occur in the statement of profit and loss.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Accumulated leave, which are expected to be utilized within the next twelve months are treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of unused entitlement that has accumulated at that reporting period.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

(a) The date of the plan amendment or curtailment, and

(b) The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(b) Net interest expense or income

o. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share Option Outstanding Account' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

p. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss) or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortized cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Cash flow characteristics test: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI
A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Investments
Investments in mutual fund are measured at FVTPL.

Equity investments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financials assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

(i) The rights to receive cash flows from the assets have expired , or

(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

q. Segment reporting

Identification of segments:

Business segment:

The company operates in single segment of retails of readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India..

Geographical segment:

The analysis of geographical segments is based on the geographical location of the customers. The company operates in single geographical segment i.e. India.

r. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of Company's cash management.

s. Cash dividend and non-cash distribution to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

t. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.3 Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

(i) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the right of use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

The Company has adopted modified retrospective approach as per para C8(c)(ii) of IND AS 116 - "Leases" for its store, warehouse, office premises and other assets taken on leases, effective from the annual reporting period beginning April 1, 2019. This has resulted in recognizing a right of use assets (an amount equal to the lease liability, adjusted by the prepaid lease rent) of ₹ 39,859.07 lakhs as at April 1, 2019. In the statement of profit and loss for the current year, operating lease expenses has been changed from rent to depreciation charge for the right of use assets and finance cost for interest accrued on lease liability.

The effect of adoption of Ind AS 116 is as follows;

Impact on balance sheet [increase / (decrease)] as at April 1, 2019:

Particulars	(₹ Lakhs)
Assets	
Right-of-use assets	41,073.63
Property, plant and equipments	(670.45)
Capital work-in-progress	(25.58)
Other assets	
Prepaid lease rent	(518.53)
Total Assets	**39,859.07**
Liabilities	
Lease liabilities	40,555.10
Other financial liabilities	
Lease related payables	(696.03)
	39,859.07

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The Company has recognised a right of use assets (an amount equal to the lease liability, adjusted by the prepaid lease rent).

The Group also applied the available practical expedients wherein it:

– Used a single discount rate to a portfolio of leases with reasonably similar characteristics

- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease
- For leases which are expired and under discussion for renewal, the Company considers such leases as short term leases since, the Company is not certain that option to extend the lease will be exercised as lessor has right to terminate the lease.

Based on the above, as at April 1, 2019:
Right-of -use assets of ₹ 41,073.63 lakhs were recognised and presented separately in the balance sheet. This includes the rent free period capitalised previously under leasehold improvements of ₹ 670.45 lakhs that were reclassified from Property, plant and equipment, ₹ 25.58 lakhs from capital work-in-progress and prepaid portion of security deposits of ₹ 518.53 lakhs re-classified from other assets.

Additional lease liabilities of ₹ 40,555.10 lakhs were recognised. This includes lease related payable in respect of rent free period.

Refer note 47 for impact of Ind AS 116 on balance sheet for year ended March 31, 2020 and statement of profit and loss for the year.

(ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions, particularly those relating to Deduction / allowance with respect to 80JJAA, allowance of education cess as tax deductible expenditure, etc. The Company, based on prudent basis has made provision for tax in respect to these un-certain tax treatments.

Further refer note 20 for details.

(iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments have no impact on the financial statements of the Company.

(iv) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

(a) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

(b) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

(v) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The Company does not have any investment in associate or have joint venture and hence, these amendments had no impact on the financial statements as the Company is in compliance with the said amendment.

Annual Improvements to Ind AS 2018

(i) Ind AS 103 Business Combinations

There is no transaction on which Ind AS 103 on business combination is applicable, hence these amendments had no impact on the standalone financial statements of the Company as there is no transaction where joint control is obtained.

(ii) Ind AS 111 Joint Arrangements

"An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019."

These amendments had no impact on the financial statements of the company as there is no transaction where a joint control is obtained.

(iii) Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

(iv) Ind AS 23 Borrowing Costs

"The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company."

NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2020

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

3. Property, plant and equipment

Particulars	Plant and machinery	Office Equipment	Leasehold Improvement	Computers	Furniture and fixtures	Vehicles	Total
Cost or valuation							
As at April 1, 2018	7,516.44	483.38	747.93	729.98	8,312.08	223.23	18,013.04
Additions during the year	1,787.73	136.93	418.73	328.17	2,143.84	20.64	4,836.04
Disposals	(193.84)	(27.60)	(3.22)	(63.46)	(118.38)	(41.93)	(448.43)
As at March 31, 2019	9,110.33	592.71	1,163.44	994.69	10,337.54	201.94	22,400.65
Additions during the year	2,105.09	126.67	167.55	340.57	2,034.49	65.38	4,839.75
Disposals/ adjustments*	(146.71)	(9.16)	(902.47)	(7.22)	(137.99)	-	(1,203.55)
As at March 31, 2020	**11,068.71**	**710.22**	**428.52**	**1,328.04**	**12,234.04**	**267.32**	**26,036.85**
Depreciation							
As at April 1, 2018	1,889.69	195.91	162.16	301.38	1,307.74	33.47	3,890.35
Depreciation charged for the year	1,237.50	102.20	101.71	197.74	989.35	33.40	2,661.90
Disposals	(157.12)	(26.04)	(0.72)	(62.31)	(86.37)	(39.83)	(372.39)
As at March 31, 2019	2,970.07	272.07	263.15	436.81	2,210.72	27.04	6,179.86
Depreciation charged for the year	1,451.13	115.46	29.80	257.42	1,245.05	37.47	3,136.33
Disposals/adjustments*	(105.36)	(7.33)	(229.04)	(6.32)	(58.44)	-	(406.49)
As at March 31, 2020	**4,315.84**	**380.20**	**63.91**	**687.91**	**3,397.33**	**64.51**	**8,909.70**
Net book value							
As at March 31, 2019	6,140.26	320.64	900.29	557.88	8,126.82	174.90	16,220.79
As at March 31, 2020	**6,752.87**	**330.02**	**364.61**	**640.13**	**8,836.71**	**202.81**	**17,127.15**

Capital work-in-progress

Particulars	As at March 31, 2020	As at March 31, 2019
Capital work in progress*	246.69	400.98

4. Intangible assets

Particulars	Computer software	Total
Cost		
As at April 1, 2018	481.71	481.71
Additions during the year	77.31	77.31
Disposals/ Write-off	(3.10)	(3.10)
As at March 31, 2019	555.92	555.92
Additions during the year	147.97	147.97
Disposals/adjustments	(0.27)	(0.27)
As at March 31, 2020	**703.62**	**703.62**
Amortization		
As at April 1, 2018	129.68	129.68
Charge for the year	100.67	100.67
Disposals/ Write-off	(3.10)	(3.10)
As at March 31, 2019	227.25	227.25
Charge for the year	110.67	110.67
Disposals/adjustments	(0.17)	(0.17)
As at March 31, 2020	**337.75**	**337.75**
Net Block		
As at March 31, 2019	328.67	328.67
As at March 31, 2020	**365.87**	**365.87**

*Disposal / adjustment in the current year includes transfer of rent free period capitalised as per Appexdix A of Ind AS 17 from lease hold Improvement to Right-of-use assets on account of adoption of Ind AS 116 on leases w.e.f. April 1, 2019 having a gross block of ₹ 897.29 lakhs and accumulated depreciation of ₹ 226.84 lakhs. Further, ₹ 25. 58 has been reclassified from capital work-in-progress to Right-of-use assets.

Refer note no. 35(i) for contractual commitments for acquisition of property, plant and equipments

Refer note no. 46 for assets under pledge

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

5. Investments - Non-Current

	Non-Current	
	As at March 31, 2020	As at March 31, 2019
Investment in mutual funds (fully paid-up) - Un-quoted		
(Measured at fair value through profit or loss)		
SBI Debt Fund Series C-48 (1177 days) - Direct Growth	331.54	301.81
3,000,000 (March 31, 2019: 3,000,000) units of ₹ 10 (March 31, 2019: ₹ 10) each		
Reliance Fixed Horizon Fund XXXII S4-Regular PL- Growth	-	680.67
Nil (March 31, 2019 : 5,691,217.) units of ₹ Nil (March 31, 2019: ₹ 10) each		
Total	**331.54**	**982.48**
Aggregate amount of book value of un-quoted investments	**331.54**	**982.48**
Aggregate amount of market value of un-quoted investments	**331.54**	**982.48**

6. Investments - Current

	Current	
	As at March 31, 2020	As at March 31, 2019
Investment in mutual funds (fully paid-up) - Un- quoted		
(Measured at fair value through profit or loss)		
Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan	-	376.42
Nil (March 31, 2019 : 150,346.64) units of ₹ Nil (March 31, 2019: ₹ 100) each		
Aditya Birla Sun Life Liquid Fund - Growth- Regular Plan	-	840.31
Nil (March 31, 2019 : 281,032.24) units of ₹ Nil (March 31, 2019: ₹ 100) each		
Aditya Birla Sun Life Liquid Fund - Growth- Direct Plan	-	300.74
Nil (March 31, 2019 : 100,101.67) units of ₹ Nil (March 31, 2019: ₹ 100) each		
HDFC Money Market Fund - Direct Plan-Growth Option	-	376.41
Nil (March 31, 2019 : 9,603.9) units of ₹ Nil (March 31, 2019: ₹ 1,000) each		
HDFC Liquid Fund- Direct Plan- Growth Option	-	233.93
Nil (March 31, 2019 : 6,359.84) units of ₹ Nil (March 31, 2019: ₹ 1,000) each		
ICICI Prudential Liquid Fund- Growth	-	612.23
Nil (March 31, 2019 : 222,289.78) units of ₹ Nil (March 31, 2019: ₹ 100) each		
ICICI Prudential Liquid Fund- Direct Plan- Growth	-	1,223.13
Nil (March 31, 2019 : 442,495.6) units of ₹ Nil (March 31, 2019: ₹ 100) each		
Kotak Liquid Direct Plan Growth	-	1,090.27
Nil (March 31, 2019 : 28,810.35) units of ₹ Nil (March 31, 2019: ₹ 1,000) each		
ICICI Overnight Fund Direct Plan	415.24	-
385,385 (March 31, 2019 : Nil) units of ₹ 100 (March 31, 2019: Nil) each		

	Current	
	As at March 31, 2020	As at March 31, 2019
SBI Magnum Ultra Short Duration Fund-Direct Growth	42.23	31.85
942.74 (March 31, 2019 : 764.19) units of ₹ 1,000 (March 31, 2019: ₹ 1,000) each		
Total (I)	**457.47**	**5,085.29**
Investment in bonds (fully paid-up) - Un-quoted		
(Measured at amortised cost)		
Infrastructure Leasing & Financial Services Commercial Paper	-	-
100,000 (March 31, 2019: 100,000) units [At cost less Impairment of investment of ₹ 979.94 lacs (March 31, 2019: ₹ 979.94)] - Refer note 29		
Total (II)	-	-
Total (I+II)	**457.47**	**5,085.29**
Aggregate amount of book value of un-quoted investments (net of Impairment loss)	457.47	5,085.29
Aggregate amount of market value of un-quoted investments (net of Impairment loss)	457.47	5,085.29
Aggregate Impairment in value of investments (refer note 29)	979.94	979.94

7. Loans

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unsecured considered good unless otherwise stated				
(Measured at amortised cost)				
Security deposits				
Considered good	1,188.50	960.17	-	-
Doubtful	4.32	-	-	-
	1,192.82	**960.17**	-	-
Less: Impairment Allowance for security deposits	(4.32)	-	-	-
	1,188.50	**960.17**	-	-
Loan to employees	-	-	3.44	5.61
	1,188.50	**960.17**	**3.44**	**5.61**

8. Other financial assets

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
(Measured at amortised cost)				
Margin money deposits*	117.42	112.78	-	-
Interest accrued on margin money deposits	7.80	4.87	-	-
	125.22	**117.65**	-	-

*Margin money deposits of ₹ 117.42 Lakhs (March 31, 2019 : ₹ 112.78 Lakhs) are pledged as bank guarantees issued to various tax authorities, Skill Development Authority (for Deen Dayal Upadhyaya Grameen Kaushalya Yojana) and for cash credit facilities with banks.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

9. Deferred tax assets (net)

	As at March 31, 2020	As at March 31, 2019
Tax effect of items constituting deferred tax liabilities		
Right-of-use assets	12,385.44	-
Fair valuation of interest free security deposits	22.94	
Measurement of financial assets at fair value through profit or loss	8.18	23.40
(A)	**12,416.56**	**23.40**
Tax effect of items constituting deferred tax assets		
Lease liability	12,978.24	-
Difference between accounting base and tax base of property, plant and equipment	780.80	911.87
Employee benefits	218.25	252.44
Provision for doubtful advances	40.50	6.94
Fair valuation of interest free security deposits	-	2.91
Others	-	32.23
(B)	**14,017.79**	**1,206.39**
Net deferred tax assets (B)-(A)	**1,601.23**	**1,182.99**

Movement in deferred tax assets/(liabilities) for year ended March 31, 2020

Particulars	As at March 31, 2019	Recognised in statement profit or loss	Recognized in other comprehensive income	As at March 31, 2020
Tax effect of items constituting deferred tax liabilities				
Right-of-use assets	-	12,385.44	-	12,385.44
Fair valuation of interest free security deposits	(2.91)	25.85	-	22.94
Measurement of financial assets at fair value through profit or loss	23.40	(15.22)	-	8.18
Deferred tax liabilities (A)	**20.49**	**12,396.07**	**-**	**12,416.56**
Tax effect of items constituting deferred tax assets				
Lease liability	-	12,978.24	-	12,978.24
Difference between accounting base and tax base of property, plant and equipment	911.87	(131.07)	-	780.80
Employee benefits	252.44	(34.57)	0.38	218.25
Provision for doubtful advances	6.94	33.56	-	40.50
Others	32.23	(32.23)	-	-
Deferred tax assets (B)	**1,203.48**	**12,813.93**	**0.38**	**14,017.79**
Net deferred tax assets (B)-(A)	**1,182.99**	**417.86**	**0.38**	**1,601.23**

Movement in deferred tax assets/(liabilities) for year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Particulars	As at March 31, 2018	Recognised in statement profit or loss	Recognized in other comprehensive income	As at March 31, 2019
Tax effect of items constituting deferred tax liabilities				
Measurement of financial assets at fair value through profit or loss	(17.53)	40.93	-	23.40
Deferred tax liabilities (A)	**(17.53)**	**40.93**	**-**	**23.40**
Tax effect of items constituting deferred tax assets				
Difference between accounting base and tax base of property, plant and equipment	743.49	168.38	-	911.87
Employee benefits	145.40	87.88	19.16	252.44
Provision for doubtful advances	-	6.94	-	6.94
Fair valuation of interest free security deposits	13.68	(10.77)	-	2.91
Others	-	32.23	-	32.23
Deferred tax assets (B)	**902.57**	**284.66**	**19.16**	**1,206.39**
Net deferred tax assets (B)-(A)	**920.10**	**243.73**	**19.16**	**1,182.99**

10. Other assets

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unsecured considered good unless otherwise stated				
Capital advances				
Unsecured considered good	160.39	9.98	-	-
Doubtful	30.34	-	-	-
	190.73	**9.98**	**-**	**-**
Less: Impairment Allowance for capital advances	(30.34)			
(A)	**160.39**	**9.98**	**-**	**-**
Advances against material and services				
Unsecured considered good	-	-	1,473.10	980.41
Doubtful	-	-	126.25	19.87
	-	**-**	**1,599.35**	**1,000.28**
Less: Impairment Allowance for advances against material and services			(126.25)	(19.87)
(B)	**-**	**-**	**1,473.10**	**980.41**
Prepaid lease rent*	-	435.32	-	83.21
Prepaid expenses	46.70	66.67	188.48	234.96
Advance income tax (net of provisions for tax)	40.67	68.00	-	-
Deposits paid under protest**	160.86	252.15	-	-
Balance with government authority	-	-	1,345.32	954.64
(C)	**248.23**	**822.14**	**1,533.80**	**1,272.81**
(A)+(B)+(C)	**408.62**	**832.12**	**3,006.90**	**2,253.22**

*Refer note 47

**Deposit paid under protest includes following

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Value added tax	120.26	120.26	-	-
Service Tax	37.69	37.69	-	-
Others	**2.91**	**94.20**	-	-

11. Inventories (valued at lower of cost or net realizable value)*

	As at March 31, 2020	As at March 31, 2019
Traded goods [including stock-in-transit: ₹ Nil (March 31, 2019: ₹ 1,012 lakhs)	47,556.44	32,664.52
Packing and accessories	235.80	233.89
	47,792.24	**32,898.41**

*Refer note 45 for details of markdown of inventory. These were recognized as an expense during the year and included in 'changes in inventories of stock-in-trade in Statement of Profit and Loss.

12. Cash and cash equivalents

	Current	
	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- on current account	1.95	94.34
- on cash credit account	394.93	131.33
Other receivables^	8.76	256.98
Cash on hand	83.95	1,006.04
	489.59	**1,488.69**

^ Other receivables includes amount receivable with respect to credit card receivable, electronic wallet, UPI, etc, which is normally received T+1 days.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- on current account	1.95	94.34
- on cash credit account	394.93	131.33
Cash on hand	83.95	1,006.04
	480.83	**1,231.71**

13. Other bank balances

	Current	
	As at March 31, 2020	As at March 31, 2019
Earmarked balances with Bank		
- Government grant under skill development project#	8.66	426.28
- unclaimed dividend account	0.60	0.60
	9.26	**426.88**

#The Company was awarded projects under the 'Deen Dayal Upadhyaya - Grameen Kaushalya Yojana' ("the Grant") from various state Government for encouraging youth employment. The Company, has received ₹ 826.07 lakhs (March 31, 2019: ₹ 826.07 lakhs) so far under such scheme. The Company has spent ₹ 1,360.89 lakhs (March 31, 2019: ₹ 406.89) on the activities as agreed in the terms of such grant and certificate has been obtained by the Company from an independent auditor.

The Company shows excess amount spend in other current assets as amount recoverable from government authorities.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

14. Equity Share capital

	No. of shares	Amount
Authorised Share Capital		
As at April 1, 2018	20,000,000.00	2,000.00
Increase/(decrease) during the year	-	-
As at March 31, 2019	20,000,000.00	2,000.00
Increase/(decrease) during the year	-	-
As at March 31, 2020	**20,000,000.00**	**2,000.00**

a. **Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. **Issued equity share capital**

Equity shares of ₹ 10 each issued, subscribed and fully paid

	No. of shares	Amount
As at April 1, 2018	18,097,355	1,809.74
Changes during the year	32,638	3.26
As at March 31, 2019	18,129,993	1,813.00
Changes during the year	25,491	2.55
As at March 31, 2020	**18,155,484**	**1,815.55**

c. No shares was issued as bonus shares, shares issued for consideration other than cash and shares buy back during the five years immediately preceding the reporting date except 6,606,842 bonus shares issued by capitalization of free reserves in the year ended March 31, 2013.

d. **Details of equity shareholders holding more than 5% shares in the Company as at March 31, 2020**

Name of the Shareholders	As at March 31, 2020		As at March 31, 2019	
	Nos.	% holding	Nos.	% holding
Conquest Business Services Private Limited*	7,490,673	41.26%	7,489,798	41.38%
Jwalamukhi Investment Holding	1,498,141	8.25%	1,788,102	9.90%
Lalit M Agarwal (HUF)	1,277,275	7.04%	1,277,275	7.07%

*Conquest Business Services Private Limited ("Conquest"), a Promoter Company, has acquired 7,489,798 (41.38%) equity shares of the Company from the Promoter/Promoter group of the Company on March 27, 2018. The aforementioned equity shares acquired by Conquest were held with IIFL Wealth Management Limited and were credited into its demat account on April 3, 2018.

e. **Shares reserved for issue under options**

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer note 38.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

15. Other equity

(i) Securities premium reserve

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	9,345.13	9,068.06
Add: premium received during the year	199.07	277.07
	9,544.20	**9,345.13**

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

(ii) Amalgamation reserve

	As at March 31, 2020	As at March 31, 2019
Amalgamation reserve	154.76	154.76
	154.76	**154.76**

Amalgamation reserve pertain to business combinations which materialised prior to transition date to Ind AS.

(iii) Other reserves

	As at March 31, 2020	As at March 31, 2019
Retained earnings	33,801.87	29,240.53
Shares option outstanding account	576.81	373.62
	34,378.68	**29,614.15**
Total (i)+(ii)+(iii)	**44,077.64**	**39,114.04**

Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

Share option outstanding account

The reserve is used to recognize the grant date fair value of options issued to employees under employee stock option schemes and is adjusted on exercise/ forfeiture of options.

For movements of respective heads, refer to the Statement of Changes in Equity.

16. Long term borrowings

	Non-current portion		Current maturities	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Term loan				
Vehicle loans from banks (secured)	-	2.60	2.60	29.65
	-	**2.60**	2.60	**29.65**
Amount disclosed under the head "other financial liabilities" (refer note 18)	-	-	(2.60)	(29.65)
	-	-	(2.60)	**(29.65)**
	-	**2.60**	-	-

Vehicle loan secured against hypothecation of vehicle obtained from HDFC Bank, repayable in 36 instalment and carrying an interest rate of 8%. The loan was obtained on March 31, 2017.

17. Short term borrowings

	Current	
	As at March 31, 2020	As at March 31, 2019
Short term loans	104.65	-
	104.65	-

Short term loans of Rs. 104.65 lakhs (March 31, 2019: Rs NIL) was unsecured and carrying a rate of interest ranging from 7.50% to 8.30%.

18. Trade payables

	Current	
	As at March 31, 2020	As at March 31, 2019
(Measured at amortised cost)		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 40 for details of dues to micro and small enterprises)	5,043.66	2,362.61
Others	14,635.31	12,463.39
	19,678.97	14,826.00

19. Other financial liabilities

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial liabilities carried at amortised cost				
Current maturities of long term debts (refer note 16)	-	-	2.60	29.65
Interest accrued but not due			0.14	0.36
Book overdraft	-	-	-	2,160.35
Creditors for fixed assets#	-	-	981.34	1,411.26
Others				
Lease related payables*	-	599.51	-	96.52
Employee related payables	-	-	1,624.06	503.62
Other liabilities	-	-	-	32.19
	-	599.51	2,608.14	4,233.95

includes payable in respect of MSMED parties amounting to ₹ 63.25 lakhs (March 31, 2019: 1,069.32 lakhs) [refer note 40].
*Refer note 47

20. Provisions

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Employee benefit obligations				
Provision for gratuity obligation (refer note 37)	612.26	510.77	104.97	77.71
Provision for compensated absences (refer note 37)	-	-	149.95	133.93
	612.26	510.77	254.92	211.64
Others				
Provision for income tax (net of prepaid taxes)^	-	-	967.05	971.75
	-	-	967.05	971.75
	612.26	510.77	1,221.97	1,183.39

^The Company carries a tax contingency provision created as a matter of abundant caution of ₹ 519.16 lakhs (March 31, 2019:₹ ₹ 171.19 lakhs) in respect of claims made by the Company in its return of income for section 80JJAA and education cess on income tax as allowable expense. The management is confident that it will be eligible for deduction.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

21. Other liabilities

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Contract liabilities	-	-	226.29	93.58
Unclaimed dividend*	-	-	0.60	0.60
Deferred government grant in respect of skill development project (refer note 13)	-	-	-	402.00
Statutory dues payable	-	-	452.26	404.51
	-	-	**679.15**	**900.69**

* Not due for deposit with Investor Education and Protection Fund

22. Revenue from contracts with customers

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of traded goods	166,159.03	143,217.07
Other operating revenue	43.30	157.41
	166,202.33	**143,374.48**

23. Other income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Liabilities written back	98.06	148.48
Profit on sale of investments (net)	184.86	184.12
Income on investment designated at FVTPL	32.51	66.97
Miscellaneous income	31.79	12.22
	347.22	**411.79**

24. Finance income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on items at amortised cost		
Bank deposits	8.42	9.35
Interest on fair valuation of security deposits	91.13	68.31
Others	1.19	102.85
	100.74	180.51

25. Purchase of traded goods

	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of traded goods	127,520.03	99,216.07
	127,520.03	**99,216.07**

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

26. (Increase) in inventories

	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the end of the period		
Traded goods (including stock in transit)	47,556.44	32,664.52
Packing material and accessories	235.80	233.89
	47,792.24	**32,898.41**
Inventories at the beginning of the period		
Traded goods (including stock in transit)	32,664.52	30,550.33
Packing material and accessories	233.89	160.87
	32,898.41	**30,711.20**
	(14,893.83)	**(2,187.21)**

27. Employee benefits expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	12,854.56	10,369.58
Gratuity Expenses (refer note 37)	197.46	174.44
Employee stock option scheme (refer note 38)	271.26	306.53
Contribution to provident and other funds	943.92	757.71
Staff welfare	1,095.31	964.25
	15,362.51	**12,572.51**

28. Other expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent	1,188.38	6,717.05
Expense on fair valuation of security deposits	-	76.63
Power and fuel	4,877.66	4,223.79
Advertisement and sales promotion	3,536.81	3,393.12
Packing materials and expenses	1,147.66	862.18
Repairs and maintenance		
- Building	230.04	186.87
- Others	1,441.55	1,188.23
Commission	109.41	173.30
Security expenses	1,429.53	1,330.56
Communication	164.79	120.74
Travelling and conveyance	537.07	461.34
Credit card and cash collection charges	501.46	393.55
Rates and taxes	71.91	49.36
Vehicle running expenses	182.33	143.15
Legal and professional	569.14	574.74
Printing and stationery	83.22	107.80
Payment to auditors (refer details below "A")	41.27	33.93
Insurance	88.84	65.04
Loss on sale / write-off of fixed assets	118.08	69.74
Provision for doubtful advances	142.50	19.87
Balances written off	18.15	17.25
Expenses on CSR activities (refer details below "B")	108.77	66.48
Donations	26.85	0.73
Commission to independent directors	49.32	57.22
Directors' sitting fees	8.00	6.50
Miscellaneous expenses	165.15	141.36
	16,837.89	**20,480.53**

A. Payment to Auditors

	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor:		
Audit fee (including limited reviews)	34.00	30.00
Tax audit fee	2.00	2.00
Reimbursement of expense	5.27	1.93
	41.27	**33.93**

B. Details of CSR expenditure

	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Gross amount required to be spent by the Company during the period	186.28	148.39
(b) Amount spent during the period ended March 31, 2020		
i) **Construction/ acquisition of any assets**		
Paid during the period	-	-
Yet to be paid	-	-
ii) **on purchase other than (i) above**		
Paid during the period	108.77	66.48
Yet to be paid	77.51	81.91

29. Exceptional items

	For the year ended March 31, 2020	For the year ended March 31, 2019
Impairment in value of investments	-	979.94
	-	**979.94**

During the previous year, the Company had made investment in commercial papers of Infrastructure Leasing &Financial Services (IL&FS) amounting to ₹ 979.94 lakhs, which were due for redemption on September 18, 2018. The aforesaid amount and interest thereon have, however, not been received as on date. In view of the fact that there is significant uncertainty on recovery of the entire amount, the management has made a provision of full amount ₹ 979.94 lakhs as at March 31, 2019. The Company, however, continues to monitor developments on this matter and is committed to take steps including further legal actions that may be necessary to ensure full recoverability.

30. Finance costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest		
- on lease liability	5,141.80	-
- on cash credit facilities	308.72	114.43
Other borrowing costs	27.87	46.84
	5,478.39	**161.27**

31. Depreciation and amortisation expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of tangible assets	3,136.33	2,661.90
Depreciation of right-of-use assets	6,145.28	-
Amortisation of intangible assets	110.67	100.67
	9,392.28	**2,762.57**

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

32. Tax expense and tax reconciliation

The major components of income tax expense for the periods ended March 31, 2020 and March 31, 2019 are:

(a) **Tax expenses**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
Current income tax charge	2,507.00	3,891.02
Adjustments in respect of current income tax of previous period	(70.65)	171.19
	2,436.35	**4,062.21**
Deferred tax		
Decrease/(increase) in deferred tax assets	(12,834.80)	(286.29)
(Decrease)/increase in deferred tax liabilities	12,416.56	23.40
	(418.24)	**(262.89)**
Income tax expense reported in the statement of profit or loss	**2,018.11**	**3,799.32**
Comprises of :-		
Total tax expense as per Statement of profit and loss	2,018.49	3,818.48
Deferred tax related to items recognised in OCI on remeasurements of defined benefit plans	(0.38)	(19.16)

(b) **Income tax expense for the period reconciled to the accounting profit**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	**6,953.02**	**9,981.10**
Income tax expense calculated @ 25.168%& (March 31, 2019: 34.944%) plus interest under Section 234C of Income Tax Act, 1961	1,763.81	3,522.42
Tax effect of amounts that are not deductible in calculating taxable expense:		
Permanent differences	26.59	354.93
Deduction claimed on employee benefits	(263.38)	(295.36)
Impact of change in tax rate	330.96	(8.94)
Others	230.78	55.08
Total	**2,088.76**	**3,628.13**
Adjustment in respect of current income tax of previous period	(70.65)	171.19
Income tax expense recognised in statement of profit and loss	**2,018.11**	**3,799.32**

33. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the period attributable to equity holders by the weighted average number of Equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued under ESOP Scheme to employees.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit after tax	4,934.53	6,162.62
Nominal value per share (in ₹)	10.00	10.00
Weighted average number of Equity shares for basic EPS	181.52	181.23
Effect of dilution:		
- Issuance of shares under ESOP	0.11	0.54
Weighted average number of Equity shares adjusted for the effect of dilution	181.63	181.77
Earnings per share (in ₹)		
Basic earnings per share	27.18	34.01
Diluted earnings per share	27.17	33.90

34. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) **Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease, and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that it reflects the current economic circumstances.

For leases which are expired and under discussion for renewal, the Company Considers such leases as short term leases since, the Company is not certain that option to extend the lease will be exercised as lessor has right to terminate the lease.

Further, the Company has execrised its judgement in useing a single discount rate to a portfolio of leases with reasonably similar characteristics.

b) **Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

c) **Recognition of deferred tax**

The extent to which deferred tax asset to be recognized is based on the assessment of the probability of the future taxable income against which the deferred tax asset can be utilized.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) **Useful lives of depreciable assets**

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

(ii) **Defined benefit obligation**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future trends salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) **Impairment of assets**

In assessing impairment, the Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(iv) **Share based payments**

The Company initially measures the cost of equity-settled transactions with employees using a black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability is regognised at the vesting date.The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 38.

(v) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vi) Assessment of potential markdown inventory

The Company at each reporting date makes an assessment of potential markedown due to aged inventory. In doing so, it estimates the net relisable value of aged inventory based on historic trend of sale of such/ similar aged inventory. Further, it also estimate the provision for shrink based on past trends which it believes is more than or near to actual shrink to be booked as and when stores are counted anually.

(vii) Incremental borrowing rate for leases

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

35. Commitments and Contingencies

i) Commitments

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account not provided in books	33.86	105.28
	33.86	**105.28**

ii) Contingent liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax[1]	74.97	-
Value added tax[2]	450.30	451.60
Service tax[3]	30.33	30.33
Payment of Bonus (Amendment) Act, 2015[4]	107.61	107.61
Minimum Wages Act, 1948[5]	94.45	63.98
	757.66	**653.52**

Income Tax[1]

Demand amounting to ₹ 17.38 lakhs (March 31, 2019 : ₹ 17.38 lakhs) was raised by the income tax department for AY 13-14 and AY 16-17 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961 and other non deductible expenses. The Company has reduced the refund due to it against such demand. However, the Company has filed an appeal before CIT (A) for assessment year 13-14 and has also filed a rectification application for assessment year 16-17.

Demand amounting to ₹ 80.20 lakhs (March 31, 2019 : ₹ Nil) was raised by the income tax department for AY 17-18 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961, allowance of education cess, delay in payment of PF and disallowance of interest on delayed payment of Income Tax. The Company has reduced the refund due to it against such demand. However, the Company has filed an appeal an appeal before CIT (A).

Demand amounting to ₹ 74.97 lakhs (March 31, 2019 : ₹ Nil) was raised by the income tax department for AY 12-13 in respect of addition made on disallowance of certain purchases based on inadvertent assumption. The Company has reduced the refund due to it against such demand. However, the Company has filed an appeal an appeal before CIT (A). The Company does not believe any liability devolving avainst the Company.

Value added tax[2]

₹ 450.30 lakhs (March 31, 2019: ₹ 451.60 lakhs) represents demand relating to the appropriateness of forms/ declaration made by the Company under relevant sales tax legislations which were primarily procedural and on interstate movement of goods. Pending final decisions, the Company has deposited amounts under protest with statutory authorities for certain cases amounting to ₹ 120.26 (March 31, 2019: ₹ 120.26).

Service tax[3]
Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1, 2007 by the Finance Act, 2010, the Retailer Association of India (the Company being a member of such Association) has challenged the said levy and, inter-alia, its retrospective application. The Hon'ble Supreme Court has issued an interim order dated October 14, 2011, directing to deposit 50% of the arrears of service tax due upto September 30, 2011 and the balance, if any, at the time of final disposal of the appeal. The amount of service tax on rent in respect of rented stores from June 1, 2007 till September 30, 2011 amounted to ₹ 108.26 lacs of which ₹ 77.93 lacs has been provided for in the Statement of Profit and Loss till March 31, 2017 and the balance ₹ 30.33 lacs has been disclosed as contingent liability in current and previous year. As per directions of the Hon'ble Supreme Court, the Company, has deposited ₹ 37.69 lacs under protest with the concerned authorities and has disclosed this balance as "Service tax deposit" under other non-current assets.

Payment of Bonus (Amendment) Act, 2015[4]
The Payment of Bonus (Amendment) Act, 2015 dated December 31, 2015 (which was made effective from April 1, 2014) revised the thresholds for coverage of employees eligible for bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognizance of the stay granted by Hon'ble High Courts of Kerala (Ernakulam), Karnataka (Bengaluru), Uttar Pradesh (Allahabad) and Madhya Pradesh (Indore) and pending disposal of such matter, the Company, in accordance with the Payment of Bonus (Amendment) Act, 2015, has only recognized an additional expense of ₹ 213.81 lakhs for the period April 1, 2015 to March 31, 2016 during previous year ended March 31, 2016 and has not recognised the differential amount of bonus of ₹ 107.61 lakha for the period April 1, 2014 to March 31, 2015.

Minimum Wages Act, 1948[5]
₹ 94.45 lakhs (March 31, 2019 :₹ 63.98 lakhs) represents demand under imposed by the labour enforcement officer under The Minimum Wages Act, 1948 mainly on classification of employees into skilled, semi-skilled and un-skilled. The Company has contested the demand and does not anticipate any material liability devolving on the Company.

Further there are various labour, legal metrology, food adulteration and cases under other acts pending against the Company, the liability of which cannot be ascertained. However, management does not expect significant or material liability devolving on the Company.

36. Related party disclosures

(a) Names of related parties and related party relationship

Names of related parties where control exists

Conquest Business Services Private Limited	Entity along with promotor holding having control
Key managerial personnel	
Mr. Lalit Agarwal	Managing Director
Mr. Madan Gopal Agarwal	Whole-time Director
Mr. Akash Moondra	Independent Director
Mr. Murli Ramachandran	Independent Director
Ms. Sonal Matoo	Independent Director
Mr. Govind Shridhar Shrikhande	Independent Director
Mr. Anand Agarwal	Chief Financial Officer
Mrs. Megha Tandon	Company Secretary
Relative of Key managerial personnel	
Mrs. Sangeeta Agarwal	Wife of Mr. Lalit Agarwal
Mrs. Uma Devi Agarwal	Wife of Mr. Madan Gopal Agarwal and Mother of Mr. Lalit Agarwal
Mr. Snehal Shah	Son-in-law of Mr. Madan Gopal Agarwal
Mr. Hemant Agarwal	Son of Mr. Madan Gopal Agarwal and Brother of Mr. Lalit Agarwal
Mrs. Smiti Agarwal	Daughter -in-law of Mr. Madan Gopal Agarwal
Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel*	
Lalit M Agarwal (HUF)	HUF in which Mr. Lalit Agarwal is Karta
Hemant Agarwal (HUF)	HUF in which Mr. Hemant Agarwal is Karta
V-Mart Foundation	Trust in which Mr. Lalit Agarwal and Mrs. Sangeeta Agarwal are trustee

*Where transactions have occurred.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

(b) The following transactions were carried out with related parties in the ordinary course of business:

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Managerial remuneration*						
Mr. Lalit Agarwal	249.65	223.56	-	-	-	-
Mr. Madan Gopal Agarwal	55.81	62.76	-	-	-	-
Post employment benefits - Gratuity						
Mr. Lalit Agarwal	14.28	13.08	-	-	-	-
Mr. Madan Gopal Agarwal	18.93	18.69	-	-	-	-
Independent directors' commission						
Mr. Aakash Moondhra	12.33	16.89	-	-	-	-
Mr. Murli Ramachandran	12.33	16.89	-	-	-	-
Ms. Sonal Mattoo	12.33	16.89	-	-	-	-
Mr. Govind Sridhar Shrikhande	12.33	6.55	-	-	-	-
Director sitting fees						
Mr. Aakash Moondhra	2.00	2.00	-	-	-	-
Mr. Murli Ramachandran	2.00	2.00	-	-	-	-
Ms. Sonal Mattoo	2.00	1.50	-	-	-	-
Mr. Govind Sridhar Shrikhande	2.00	1.00	-	-	-	-

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus #						
Mr. Anand Agarwal	101.52	87.08	-	-	-	-
Mr. Snehal Shah	-	-	62.53	56.29	-	-
Mrs. Megha Tandon	6.99	6.25	-	-	-	-
ESOP issued						
Mr. Anand Agarwal	16.99	37.45	-	-	-	-
Mr. Snehal Shah	-	-	7.66	7.65	-	-
Dividend paid						
Mr. Hemant Agarwal	-	-	0.94	4.09	-	-
Lalit Agarwal (HUF)	-	-	-	-	21.71	25.55
Hemant Agarwal (HUF)	-	-	-	-	5.73	7.51
Mrs. Smiti Agarwal	-	-	6.18	8.97	-	-
Conquest Business Services Pvt. Ltd.	-	-	-	-	127.33	149.80
Contribution to CSR						
V-Mart Foundation	-	-	-	-	-	41.80

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

***Managerial remuneration comprises of the following:-**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Remuneration (excluding post employment benefits)	242.20	244.63
Commission	98.76	138.24
Perquisites	90.00	34.23
	430.96	**417.10**

#Gross salary as per pay sheet including bonus, contribution to PF and LWF. It does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the company as a whole. Further, it does not include perqusites on ESOP considered for income tax purposes on the date of exercise of option.

(c) Balance at the end of year

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Remuneration/salary payable (net of TDS)						
Mr. Lalit Agarwal	27.12	56.35	-	-	-	-
Mr. Madan Gopal Agarwal	18.39	18.65	-	-	-	-
Independent directors' commission payable (net of TDS)						
Mr. Aakash Moondhra	8.21	11.39	-	-	-	-
Mr. Murli Ramachandran	8.21	11.39	-	-	-	-
Mr. Govind Sridhar Shrikhande	11.65	5.56	-	-	-	-
Ms. Sonal Mattoo	11.65	15.09	-	-	-	-

37. Employee benefits

Employee benefits obligation

	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Employer's Contribution to provided fund	-	-	66.41	44.60
Gratuity	612.26	510.77	104.97	77.71
Compensated absences	-	-	149.95	133.93
	612.26	**510.77**	**321.33**	**256.24**

Gratuity an other post-employment benefit plans

The Company has a defined benefit gratuity plan which is not funded. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Changes in the present value of the defined benefit obligation are as follows:

	As at March 31, 2020	As at March 31, 2019
Change in benefit obligation		
Opening defined benefit obligation	588.48	385.01
Service cost	156.17	144.43
Past service cost	-	-
Interest expenses	41.29	30.01
Benefits paid	(70.23)	(25.80)
Actuarial changes arising from changes in demographic assumptions	(0.23)	3.63
Actuarial changes arising from changes in financial assumptions	(41.11)	70.96
Experience adjustments	42.86	(19.76)
Closing defined Benefit obligation	**717.23**	**588.48**

Balance sheet - Benefit Asset / (Liability)

	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	717.23	588.48
Fair value of plan assets	-	-
Plan asset / (liability)	**717.23**	**588.48**

Statement of profit and loss

Net employee benefit expense recognized in employee cost (recognised in statement of profit and loss)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost	156.17	144.43
Past service cost	-	-
Interest cost on benefit obligation	41.29	30.01
Net benefit expense	**197.46**	**174.44**

Remeasurement (gain)/loss recognised in other comprehensive income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial changes arising from changes in demographic assumptions	(0.23)	3.63
Actuarial changes arising from changes in financial assumptions	(41.11)	70.96
Experience adjustments	42.86	(19.76)
	1.52	**54.83**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Economic assumptions

	As at March 31, 2020	As at March 31, 2019
Discount rate	5.65%	7.00%
Salary escalation rate:		
First year	0.00%	4.75%
Thereafter	3.00%	4.75%

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Demographic assumptions

	As at March 31, 2020	As at March 31, 2019
Retirement age	60	60
Withdrawal rate, based on period of service		
up to 5 years	40.00%	40.00%
5 years or more	10.00%	10.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2006-08

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate	- / +1%	- / +1%	668.11	547.92	773.49	634.98
Salary growth rate	- / +1%	- / +1%	772.81	633.74	668.02	548.30
Attrition Rate	- / + 0.50%	- / + 0.50%	698.73	569.02	713.45	594.18
Mortality Rate	- / + 0.10%	- / + 0.10%	717.50	588.70	716.95	588.25

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to demographics are insignificant. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected credit unit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure

	As at March 31, 2020	As at March 31, 2019
Weighted average duration (based on discounted cashflows)	7 years	7 years

The following are defined benefit payments in future years:

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	104.97	77.71
More than 1 year but less than 5 years	290.20	257.55
5 years and more	788.61	803.73
	1,183.78	**1,138.99**

(i) **Risk analysis**

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

Interest rate risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields falls, the defined benefit obligation will tend to increase.

Salary Inflation risk

Higher than expected increases in salary will increase the defined benefit obligation

Demographic risk

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary Increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Detailed information to the extent provided by the actuary in the actuarial certificate has been included in the disclosure given above.

38. Share Based Payments

Employee Stock Options (ESOP)

The Company has implemented an Employee Stock Option Scheme, which was approved by the Board of Directors and the shareholders vide resolution dated July 2, 2012 and July 10, 2012 respectively (‘the V-Mart ESOP Scheme 2012’ or the “Scheme”), consequent to which 300,000 equity shares with a nominal value of ₹ 10 each will be granted upon exercise of as stock options (ESOPs) to eligible employees. Further, the Members of the Company in its meeting held on September 18, 2017 had further approved the amendment in V-Mart ESOP scheme, 2012 by increasing the total number of options from 300,000 (Three Lakhs) to 600,000 (Six Lakhs) options The exercise price of these options will be determined by the Remuneration Committee and the options will vest over a period of twelve months to thirty six months of continued employment from the grant date.

(a) **Below are the details in respect of ESOPs granted and outstanding as at March 31, 2020**

Particulars	Grant date	ESOPs granted	Exercise price (in ₹)	Vesting option (in Nos.)			Market price of equity shares on the date of grant (in ₹)
				Completion of twelve months	Completion of twenty four months	Completion of thirty six months	
Grant IV	30-Jan-17	76,225	470	22,867	22,867	30,491	522.35
Grant V	12-Jul-17	6,395	900	1,918	1,919	2,558	1,243.90
Grant VI	9-Nov-17	9,300	1,260	2,790	2,790	3,720	1,412.60
Grant VII	24-May-18	18,527	2,047	5,558	5,558	7,411	2,274.05
Grant VIII	22-Jul-18	40,764	2,044	12,229	12,229	16,306	2,270.95
Grant IX	2-Nov-18	3,426	2,286	1,028	1,028	1,370	2,540.25
Grant X	10-May-19	8,228	2,347	2,468	2,468	3,291	2,594.85
Grant XI	2-Aug-19	6,025	1,683	1,808	1,808	2,410	1,871.00

The vesting of options is subject to the continued employment of the grantee over the vesting period. The options granted can be exercised after vesting at any time before the expiry of eight years from the grant date.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

(b) **The relevant details in respect of V-Mart ESOP Scheme 2012 are summarized below:**

Particulars	March 31, 2020		March 31, 2019	
	Number of options	Weighted average price in (₹)	Number of options	Weighted average price in (₹)
Outstanding at the beginning of the year	123,106	1,320.27	97,219	635.08
Granted during the year	14,253	2,066.32	62,717	2,058.11
Exercised during the year	25,491	523.91	32,638	571.13
Forfeited during the year	8,091	1,009.23	4,192	1,080.26
Expired during the year	-	-	-	-
Outstanding at the end of the year	103,777	1,642.59	123,106	1,320.27
Exercisable at the end of the year	44,689	1,164.78	25,629	491.94
No. of equity shares of ₹ 10 each fully paid up to be issued on exercise of option	103,777	1,642.59	123,106	1,320.27

Weighted average remaining contractual life (in years)

	As at March 31, 2020	As at March 31, 2019
Weighted average remaining contractual life (in years)	5.99	6.56

(c) **The fair value of the options was estimated on the date of grant using the Black-Scholes Model with the following significant assumptions**

Particulars	Risk free interest rates (in %)	Expected life (in years)	Volatility (in %)	Dividend yield (in %)	Weighted average exercise price (in ₹)	Weighted average fair value of stock option (in ₹)
Grant III	8.16%	4 years	38.74%	0.20%	573	248
Grant IV	7.93%	4 years	30.13%	0.24%	470	211
Grant V	7.80%	4 years	42.48%	0.18%	900	673
Grant VI	7.64%	4 years	50.76%	0.10%	1,260	727
Grant VII	7.45%	3 years	40.30%	0.10%	2,047	902
Grant VIII	7.42%	3 years	41.49%	0.10%	2,044	913
Grant IX	7.37%	3 years	22.23%	0.10%	2,286	792
Grant X	7.33%	3 years	22.90%	0.10%	2,347	2,595
Grant XI	7.26%	3 years	23.61%	0.10%	1,683	1,871

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not also necessary be the actual outcome.

39. Segment information

Ind AS 108 establishes standards for the way that the Company report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations comprises of only one segment i.e. Retail sale business of various merchandise products. The Company operates primarily in India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment. Based on the "management approach" as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment. In view of the same, separate segment information is not required to be given as per the requirements of Ind AS 108 on “Operating Segments”. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

40. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	As at March 31, 2020	As at March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises (refer note 18 and 19)	5,106.91	2,565.55
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Interest paid to suppliers under MSMED Act	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

The management has obtained confirmation from majority of such vendors for principal and interest due to them.

41. Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Non-current borrowings	Current borrowings	Equity share capital (including premium)	Total
Net debt as at March 31, 2018	32.25	27.29	1,809.74	1,869.28
Proceeds from issue of equity share capital	-	-	186.40	186.40
Repayment of current borrowings (net)	-	(27.29)	-	(27.29)
Current maturities of long-term debts	(29.65)	29.65	-	-
Net debt as at March 31, 2019	**2.60**	**29.65**	**1,996.14**	**2,028.39**
Proceeds from issue of equity share capital	-	-	133.55	133.55
Working capital demand loan	-	104.65		104.65
Repayment of current borrowings (net)	-	(29.65)	-	(29.65)
Current maturities of long-term debts	(2.60)	2.60	-	-
Net debt as at March 31, 2020	**-**	**107.25**	**2,129.69**	**2,236.94**

42. Financial risk management

A. Capital risk management

The Company's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The Company determines the amount of capital required on the basis of an annual budget and a five year plan, including, for working capital, capital investment in stores and technology. The Company's funding requirements are met through internal accruals and a combination of both long-term (Vehicle loans only) and short-term borrowings.

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Company:

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Long term borrowings (including current maturities)	2.60	32.25
Working capital demand loan	104.65	-
Less: Cash and cash equivalents	(480.83)	(1,231.71)
Total debt	**(373.58)**	**(1,199.46)**
Equity share capital	1,815.55	1,813.00
Other equity	44,077.64	39,114.04
Total equity	**45,893.19**	**40,927.04**
Gearing ratio	**-0.81%**	**-2.93%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

B. Financial risk management

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Company's operational and financial performance.

Market risk :

Market Risk is the risk that changes in market place could affect the future cash flows to the Company. The market risk for the Company arises primarily from interest rate risk and product price risk.

i) **Interest risk:** The Company is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Company uses available working capital limits for availing short term cash credits. The Company mitigates the same through efficient use of working capital limits and regular monitoring of Interest Coverage ratio. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

ii) **Product price risk:** In a potentially inflationary economy, the Company expects periodical price increases across its retail product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/retail sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to retail customers to sustain volumes. The Company negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Company protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

Liquidity risk:

Liquidity risk is a risk that the Company may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Company's financial liabilities based on contractual undiscounted cash flows.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	Less than one year	Between one and five years	More than five years	Carrying amounts
As at March 31, 2020				
Borrowings (non current and current)	107.25	-	-	107.25
Interest payable	0.14	-	-	0.14
Lease Liabilities	7,782.64	14,762.54	29,021.27	51,566.45
Trade payables and other accruals	22,284.37	-	-	22,284.37
As at March 31, 2019				
Borrowings (non current and current)	29.65	2.60	-	32.25
Interest payable	0.36	-	-	0.36
Trade payables and other accruals	19,029.94	323.30	276.21	19,629.45

The Company has access to following financing facilities which were undrawn as at the end of reporting periods mentioned

	As at March 31, 2020	As at March 31, 2019
Secured working capital facilities		
Amount used	104.65	-
Amount unused	18,395.35	10,000.00
Total	**18,500.00**	**10,000.00**
Unsecured working capital facilities		
Amount used	-	-
Amount unused	-	-
Total	-	-

Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are also set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company considers reasonable and supportive forward-looking information.

The Company provides for twelve month expected credit losses for the following financial assets

As at March 31, 2020

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
Investments (refer note 28)	1,768.95	979.94	789.01
Loans	1,196.26	4.32	1,191.94
Cash and cash equivalents	480.83	-	480.83
Margin money deposits	125.22	-	125.22
Other receivables	8.76	-	8.76
Other bank balances	9.26	-	9.26
Total financial assets	**3,589.28**	**984.26**	**2,605.02**

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

As at March 31, 2019

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
Investments	7,047.71	979.94	6,067.77
Loans	965.78	-	965.78
Cash and cash equivalents	1,231.71	-	1,231.71
Margin money deposits	117.65	-	117.65
Other receivables	256.98	-	256.98
Other bank balances	426.88	-	426.88
Total financial assets	**10,046.71**	**979.94**	**9,066.77**

Concentration of financial assets

The Company's principal business activities are of retailing in consumer care and food products. All financial assets pertain to the retail business.

43. Fair value measurements

Financial instruments by category

	March 31, 2020		March 31, 2019	
	Carrying value	Fair Value	Carrying value	Fair Value
Financial assets				
Fair value through profit and loss				
Investments				
- Mutual Funds	789.01	789.01	6,067.77	6,067.77
Fair value through amortised cost				
Investments				
- Bonds	-	-	-	-
Loans	1,191.94	1,191.94	965.78	965.78
Cash and cash equivalents	480.83	480.83	1,231.71	1,231.71
Other receivables	8.76	8.76	256.98	256.98
Margin money deposits	125.22	125.22	117.65	117.65
Other bank balances	9.26	9.26	426.88	426.88
Total financial assets	**2,605.02**	**2,605.02**	**9,066.77**	**9,066.77**
Financial liabilities				
Fair value through amortised cost				
Borrowings	2.60	2.60	32.25	32.25
Lease liabilities	51,566.45	51,566.45	-	-
Trade payables	19,678.97	19,678.97	14,826.00	14,826.00
Interest payable	0.14	0.14	0.36	0.36
Book Overdraft	-	-	2,160.35	2,160.35
Employee related payables	1,624.06	1,624.06	503.62	503.62
Capital creditors	981.34	981.34	1,411.26	1,411.26
Other payables	-	-	728.22	728.22
Total financial liabilities	**73,853.56**	**73,853.56**	**19,662.06**	**19,662.06**

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The following methods and assumptions were used to estimate the fair values:

The fair value of quoted investments are based on price quotations as on the reporting date.

The security deposits paid are evaluated by the company based on parameters such as interest rate, risk factors , risk characteristics, and individual credit worthiness of the counterparty. Based on this evaluation allowances are taken into account for the expected losses of the security deposits.

44. Fair hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial assets					
Investments in mutual funds	March 31, 2020	789.01	789.01	-	-
	March 31, 2019	6,067.77	6,067.77	-	-
Investments in Bonds	March 31, 2020	-	-	-	-
	March 31, 2019	-	-	-	-
Loans	March 31, 2020	1,191.94	-	-	1,191.94
	March 31, 2019	965.78	-	-	965.78

There have been no transfers between Level 1 and Level 2 during the year.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed traded mutual funds that have quoted price. The mutual funds are reported using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Note :

The carrying amount of trade receivables, trade payables, capital creditors, borrowing, employee payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

45. The Company on a periodic basis assesses the markdown of its aged and obsolete inventories (including shrinkage due to various reasons). The exercise has been carried out throughout the year and also at the year end. The estimated markdown including shrinkage in consumption of stock-in -trade amounts to ₹ 3,502.15 lakhs including provision at year end of ₹ 2,053 lakhs [March 31, 2019: ₹ 2,343.13 lakhs including provision at year end of ₹ 795 lakhs]. The management is confident that above estimation is adequate both in line with the industry standards and as well as considering the current COVID-19 situation. Also refer note 49 below

46. Assets pledged as security

The carrying amounts of asset pledged as security for current and non-current borrowings are:

	As at March 31, 2020	As at March 31, 2019
Current		
Financial assets		
Investments	457.47	5,085.29
Cash and cash equivalent	489.59	1,488.69
Other bank balances	9.26	426.88
Non-financial assets		
Inventories	47,792.24	32,898.41
Total current assets pledged as security	**48,748.56**	**39,899.27**
Non-current		
Property, plant and equipment**	17,074.28	16,158.19
Capital work in progress**	246.69	400.98
Financial assets		
Investments	331.54	982.48
Other financial assets	125.22	117.65
Non-financial assets		
Vehicles	52.87	62.60
Total non-current assets pledged as security	**17,830.60**	**17,721.90**
Total assets pledged as security	**66,579.16**	**57,621.17**

***Secured Loan**

Vehicle loan secured against hypothecation of vehicle obtained from HDFC Bank, repayable in 36 instalment and carrying an interest rate of 8%. The loan was obtained on March 31, 2017.

****represents collateral security**

Undrawn committed borrowing facilities

The Company has sanctioned working capital limits amounting to ₹ 15,000 lakhs (March 31, 2019: ₹ 11,500 lakhs) including non fund based limit of ₹ 1,500 lakhs from SBI, ICICI, Yes Bank, Axis Bank and HDFC Bank. An amount of ₹ 14,769.50 lakhs remains undrawn as at March 31, 2020 (March 31, 2019: ₹ 11,268.50 lakhs). Further, the limits available is secured by way of:

i) Pari passu hypothecation charge with all the working capital lenders on entire current assets including stock and all the present and future book debts.

ii) Pari passu first hypothecation charge with all the working capital lenders on all the present and future fixed assets of the Company excluding vehicle and assets financed by other banks under the finance lease and term loan.

iii) Exclusive charge over personal property of Mr. Lalit Agarwal, Mr. Madan Gopal Agarwal and Mrs. Sangeeta Agarwal to and their personal guarantee to SBI.

iv) Personal guarantee of Mr. Lalit Agarwal and Mr. Madan Gopal Agarwal is given to all multiple banking partners. Mrs. Sangeeta Agarwal personal guarantee is given to SBI.

v) Exclusive charge over Mutual Funds of SBI DFS - C - 48 - 1177 Days - Direct - Growth and SBI Magnum Ultra Short Duration Fund - Direct - Growth to SBI.

vi) Exclusive charge over FDRs of ₹ 67 lakhs to SBI.

47. The lease terms for office premises, warehouse and store sites are for an period of nine years to fifteen years and having a lock-in period ranging from one to three years. The lease are further renewable on expiry of total lease term subject to mutual consent of both the parties. The Company also sub lease portion of retail stores. However, the sub-lease income is not material to the total lease outflows.

Further, the Company has also obtained some of the assets under operating lease from asset leasing company. Such lease agreement are cancellable by giving a three months notice and does not contain lock-in period.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Category of ROU assets		Total
	Building	Plant and Machinery / office equipments	
Right of use as at April 1, 2019			
Right to use assets on operating leases	39,640.12	218.95	39,859.07
Reclassification of rent free period capitalised earlier under head property, plant and equipment (refer note 3 and 4)	670.45	-	670.45
Reclassification of prepaid portion of security deposits account of adoption of Ind AS 116	518.53	-	518.53
Reclassification of rent free period capitalised earlier under CWIP (refer note 3 and 4)	25.58	-	25.58
Total right of use as at April 1, 2019	**40,854.68**	**218.95**	**41,073.63**
Additions during the year	14,165.90	116.81	14,282.71
Deletions during the year	-	-	-
Depreciation	(6,041.93)	(103.35)	(6,145.28)
Balance as at March 31, 2020	**48,978.65**	**232.41**	**49,211.06**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows:

Particulars	As at March 31, 2020
Lease liabilities	
Current portion	7,782.64
Non-current portion	43,783.81
Total	**51,566.45**

The movement in lease liabilities during the year ended March 31, 2020 is as follows:

Particulars	As at March 31, 2020
Lease Liabilities as at April 1, 2019	
Balance at the beginning	39,859.07
Reclassification of lease liability relating to rent free period	696.03
Total lease liabilities as at April 1, 2019	**40,555.10**
Additions	14,001.61
Finance cost accrued during the period	5,141.80
Deletions	-
Payment of lease liabilities (net of sub-lease Income)	(8,132.06)
Balance as at March 31, 2020	**51,566.45**

The effective interest rate for lease liabilities is 9.1% for leases ranging between 1 to 3 years and 11% for leases ranging from 3 to 15 years.

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

Particulars	As at March 31, 2020
Less than one year	7,782.64
One to five year	14,762.54
More than five year	29,021.27

The Company does not face a significant liquidity risk with regard to its lease liabilities as the company believes that it will able to generate sufficient cash to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases and the leases which are under the process of renewal was Rs.1,188 lakhs for the year ended March 31, 2020.

Rental income on assets given on operating lease to Rs.95.56 lakhs for the year ended March 31, 2020 which has been adjusted against lease liability during the year ended March 31, 2020

The effects of the transition on statement of profit and loss for the year ended March 31, 2020 is as follows:

Particulars	As at March 31, 2020
Other Expenses (- Decrease, + Increase)	(8,227.62)
Finance Costs (- Decrease, + Increase)	5,141.80
Depreciation and amortisation (- Decrease, + Increase)	6,050.41
Other Operating Income (+ Decrease, - Increase)	95.56
Profit before tax (- Decrease, + Increase)	**3,060.15**

48. The Company has opted reduced rates as per section 115BAA of the Income Tax Act, 1961 (introduced by the Taxation Laws Amendment Ordinance, 2019). Accordingly, the Company has recognised Provision for Income Tax for the year and re-measured deferred tax assets on the basis of rates prescribed in the said ordinance.

49. World Health Organization (WHO) declared outbreak of Corona virus disease (COVID-19) a global pandemic on March 24, 2020. Consequent to this, Government of India has declared lockdown w.e.f. March 24, 2020 which has temporarily impacted the business activities of the Company such as closure of stores and warehouse, disruption of supply chain, etc.

On account of this, the Company has prepared cash flow projections to assess the cash flow requirements and funds available from various sources including bank borrowings, etc for next 12 months. On the basis of its evaluation considering various internal and external information up to the date of approval of these financial statements / financial results and current indicators of future economic conditions, the Company believes that it has sufficient funds to operate for next 12 months. It has also assessed recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments and inventories. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

Further, the Company has re-assessed valuation and recoverability of inventory. In its assessment the management has considered projected sales, purchase, discounts, promotion schemes, other logistic costs, etc. It has carried out sensitivity analysis and based on the same it is of the opinion that provision for markdown and shrink is sufficient and appropriate to cover any loss that may arise due to various un-certainties involved. Also refer note no. 45.

With respect to operating leases, the Company is under discussion with the landlords to waive the lease rentals for the lockdown period, re-negotiate rentals, waive off the future escalations, etc. Till the date of approval of these financial statements/ results, the conclusion is not arrived and hence lease accounting has been done on the basis of lease deeds/ MOU, etc. entered up to March 31, 2020. Consequent to this, right to use asset and lease liability will change and therefore impact the future finance cost on leased liabilities, depreciation on right to use and rental payments.

The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these financial statements / results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

50. Standards issued but not yet effective
There are no standards that are issued but not yet effective on March 31, 2020.

As per our report of even date
For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: May 29, 2020

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

Independent Auditor's Report

To
The Members of
V-Mart Retail Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of V-Mart Retail Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Estimated markdown due to slow moving and obsolete inventories (including shrink) *(as described in note 33 and 45 of the Ind AS financial statements)*	
As at March 31, 2019, the carrying amount of inventories (including packing and accessories) amounted to ₹ 32,898.41 Lakhs, after considering markdown inventory obsolescence and shrink of 795 Lakhs. The assessment process in determining the markdown to be made to the inventory involves significant estimates of anticipated future recoverability of such inventory items, the estimated costs to sell (if any). In addition, the Company also makes an assessment of expected shrink basis the most recent full inventory count.	Our procedures over provision for slow moving and obsolete inventories and shrink included the following: • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to inventory markdown. • We have obtained management's policy with respect to estimated markdown and inventory shrink.

Considering the above, this area has been treated as a Key Audit Matter.	• We obtained ageing of inventory and tested on a sample basis the ageing of inventories, and have further obtained calculation for inventory markdown from the Company. • We have re-performed the calculation of the inventory markdown as per the policy of the Company and historic sales trend. • We have assessed the evaluation of markdown and estimated loss on account of inventory shrink based on historical sales performance of the products and average value of inventory loss from last inventory count as a % of sales respectively. • We assessed the adequacy of the disclosures concerning this in Note 33 on significant accounting estimates and judgements and Note 45 to the financial statements. • We observed the inventory count performed by management on test basis at various stores across the year. • We have obtained management representation in respect of correctness of management assessment for estimated markdown due to slow moving and obsolete inventories (including shrink).

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2018, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 24, 2018.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 34(iii) to the Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Per Vikas Mehra
Partner
Membership Number: 094421

Place of Signature: New Delhi
Date: 10th May, 2019

“Annexure 1” referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report

Re: V-Mart Retail Limited (“the Company”)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for location of few assets which are transferred from one store to another.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular 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

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals except for goods in transit amounting to Rs. 10.12 crores, which have not been verified at the end of the year. Discrepancies noted on physical verification were material and have been properly dealt with in the books of accounts.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provision relating to duty of custom and duty of excise is not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provision relating to duty of custom and duty of excise is not applicable to the Company.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, value added tax and cess on account of any dispute, are as follows:

Name of Statue	Nature of Dues	Amount (in Lakhs)	Amount paid under protest (in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service tax	68.86	37.69	June 1, 2007 to March 31, 2010	Hon'ble Supreme Court of India
The Income Tax Act, 1961	Income tax	14.59	-	FY 2012-13	Commissioner of Income Tax (Kolkata, West Bengal)
The Bihar Value Added Tax 2005	Value added tax	402.79	80.56	FY 2012-13 & FY 2013-14	Joint Commissioner of Commercial tax (Patna, Bihar)
The Uttar Pradesh, 2008	Value added tax	6.14	6.14	FY 2012-13	Assistant Commissioner Tax (Ghaziabad, U.P.)
The Uttar Pradesh, 2008	Value added tax	8.76	8.76	FY 2013-14	Assistant commissioner Mobile Squad (Muzaffarnagar, U.P.)
The Uttar Pradesh, 2008	Value added tax	12.55	12.55	FY 2015-16	Assistant commissioner Mobile Squad (Lucknow, U.P.)
The Uttar Pradesh, 2008	Value added tax	8.60	-	FY 2016-17	Sales Tax Department, (Mathura, U.P)
The Uttarakhand Value Added Tax Act, 2005	Value added tax	1.90	1.90	FY 2016-17	Additional Commissioner Tax (Uttarakhand)
Haryana Value Added Tax Act, 2003	Value added tax	5.00	5.00	FY 2015-16	Hon'ble High Court (Haryana and Punjab)
Total		**529.19**	**152.60**		

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any loans or borrowings from government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Per Vikas Mehra
Partner
Membership Number: 094421

Place of Signature: New Delhi
Date: 10th May, 2019

“Annexure-2” to the Independent Auditor’s Report of even date on the financial statements of V-Mart Retail Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of V-Mart Retail Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Per Vikas Mehra
Partner
Membership Number: 094421

Place of Signature: New Delhi
Date: 10th May, 2019

Balance Sheet as at 31 March 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	16,220.79	14,122.69
Capital work in progress	3	400.98	351.02
Intangible assets	4	328.67	352.03
Financial assets			
Investments	5	982.48	634.18
Loans	7	960.17	719.52
Other financial asset	8	117.65	126.75
Deferred tax assets (net)	9	1,182.99	920.10
Other non-current assets	10	832.12	1,022.00
		21,025.85	**18,248.29**
Current assets			
Inventories	11	32,898.41	30,711.20
Financial assets			
Investments	6	5,085.29	2,769.13
Loans	7	5.61	7.73
Cash and cash equivalents	12	1,231.71	1,373.71
Other bank balances	13	426.88	463.57
Other financial assets	8	256.98	111.68
Other current assets	10	2,253.22	1,305.08
		42,158.10	**36,742.10**
		63,183.95	**54,990.39**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,813.00	1,809.74
Other equity	15	39,114.04	32,934.40
		40,927.04	**34,744.14**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	2.60	32.24
Other financial liabilities	18	599.51	416.66
Employee benefit obligations	19	510.77	356.85
		1,112.88	**805.75**
Current liabilities			
Financial liabilities			
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	17	2,362.61	82.66
b) total outstanding dues of creditors other than micro enterprises and small enterprises	17	12,463.39	16,595.54
Other financial liabilities	18	4,233.95	1,529.12
Employee benefit obligations	19	211.64	63.30
Current tax liabilities (net)	19	971.75	236.90
Other current liabilities	20	900.69	932.98
		21,144.03	**19,440.50**
		63,183.95	**54,990.39**
Summary of significant accounting policies	**2.2**		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For **S.R. Batliboi & Co. LLP**
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: 10th May, 2019

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
REVENUE			
Revenue from operations	21	1,43,374.48	1,22,237.19
Other income	22	411.79	265.54
Finance Income	23	180.51	148.57
Total Revenues (I)		**1,43,966.78**	**1,22,651.30**
EXPENSES			
Purchase of traded goods	24	99,216.07	86,820.49
(Increase) in inventories	25	(2,187.21)	(3,793.65)
Employee benefits expense	26	12,572.51	9,839.05
Finance costs	29	161.27	152.89
Depreciation and amortization expense	30	2,762.57	2,293.12
Other expenses	27	20,480.53	16,092.74
Total Expenses (II)		**1,33,005.74**	**1,11,404.64**
Profit before exceptional items and tax (I)-(II)		10,961.04	11,246.66
Less: Exceptional items	28	979.94	-
Profit before tax		**9,981.10**	**11,246.66**
Tax expense			
Current tax (including earlier years)	31	4,062.21	3,625.59
Deferred tax	31	(243.73)	(149.34)
Total tax expense		**3,818.48**	**3,476.25**
Profit for the year		**6,162.62**	**7,770.41**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		(54.83)	44.01
Income tax on above		19.16	(15.23)
Total Other Comprehensive Income		**(35.67)**	**28.78**
Total Comprehensive Income for the year		**6,126.95**	**7,799.19**
Earnings per share [nominal value of share ₹ 10 (March 31, 2018 : ₹ 10)]	32		
Basic		34.01	42.94
Diluted		33.90	42.79
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For **S.R. Batliboi & Co. LLP**
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: 10th May, 2019

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

Statement of changes in equity for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	No.	Amount
A. Equity share capital		
Balance as on April 1, 2017	**18,068,160**	**1,806.82**
Issue of equity share capital under Employee Stock Option Scheme	29,195	2.92
Balance as on March 31, 2018	**18,097,355**	**1,809.74**
Issue of equity share capital under Employee Stock Option Scheme	32,638	3.26
Balance as on March 31, 2019	**18,129,993**	**1,813.00**

Particulars	Securities premium reserve	Amalgamation reserve	Retained earnings	Shares option outstanding account	Total
B. Other equity					
Balance as on April 1, 2017	**8,929.49**	**154.76**	**16,023.64**	**89.07**	**25,196.96**
Profit for the year		-	7,770.41	-	7,770.41
Remeasurement of defined benefit obligations	-	-	28.78	-	28.78
Payment of dividend on equity shares #	-	-	(226.22)	-	(226.22)
Payment of dividend distribution tax	-	-	(46.05)	-	(46.05)
Recognition of share based payment expenses	-	-	-	118.67	118.67
Transfer from share option outstanding account on exercise of options	46.72	-	-	(46.72)	-
Received during the year against issue of shares to employees under ESOP scheme	91.85	-	-	-	91.85
Balance as on March 31, 2018	**9,068.06**	**154.76**	**23,550.56**	**161.02**	**32,934.40**
Profit for the year	-	-	6,162.62	-	6,162.62
Remeasurement of defined benefit obligations	-	-	(35.67)	-	(35.67)
Payment of dividend on equity shares #	-	-	(362.47)	-	(362.47)
Payment of dividend distribution tax	-	-	(74.51)	-	(74.51)
Recognition of share based payment expenses	-	-	-	306.53	306.53
Transfer from share option outstanding account on exercise of options	93.93	-	-	(93.93)	-
Received during the year against issue of shares to employees under ESOP scheme	183.14	-	-	-	183.14
Balance as on March 31, 2019	**9,345.13**	**154.76**	**29,240.53**	**373.62**	**39,114.04**

Transactions with owners in their capacity as owners

Summary of significant accounting policies 2.2

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

For **S.R. Batliboi & Co. LLP**
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: 10th May, 2019

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

Cash Flow Statement for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

		Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
A.	**Operating activities**			
	Profit before tax and other comprehensive income		9,926.27	11,290.67
	Adjustments to reconcile profit before tax to net cash flows:			
	Depreciation and amortization expense		2,675.76	2,217.98
	Loss on sale / write-off of fixed assets		69.74	45.56
	Employee stock option scheme		306.53	118.67
	Provision against doubtful advances		19.87	-
	Balances written off		17.25	54.95
	Finance costs		161.27	152.89
	Impairment in value of investments		979.94	-
	Expense on fair valuation of security deposits		76.63	50.69
	Dividend income		-	(47.14)
	Interest income		(180.51)	(148.57)
	Profit on sale of investments (net)		(184.12)	(110.39)
	Income on investment designated at FVTPL		(66.97)	(50.64)
	Liabilities written back		(148.48)	(26.35)
	Operating profit before working capital changes		**13,653.18**	**13,548.32**
	Changes in working capital :			
	(Increase) in financial assets		(315.52)	(133.43)
	(Increase) in other assets		(883.14)	(945.84)
	(Increase) in inventories		(2,187.21)	(3,793.65)
	(Decrease) / increase in trade payables		(1,852.20)	687.88
	Increase in other financial liabilities		2,233.82	182.46
	Increase/ (decrease) in other liabilities		4.58	(31.26)
	Increase in provisions		302.26	67.46
	Cash generated from operations		**10,955.77**	**9,581.94**
	Taxes paid (net of refunds)		(3,321.47)	(3,810.96)
	Net cash flow from operating activities		**7,634.30**	**5,770.98**
B.	**Cash flows from investing activities**			
	Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances		(4,069.00)	(4,791.06)
	Purchase of investments		(47,027.65)	(3,403.31)
	Proceeds from sale of investments		43,634.34	7,355.74
	Proceeds from sale of fixed assets		3.83	13.54
	Interest received		107.93	99.71
	Movement in margin money deposits		13.37	(117.84)
	Net cash used in investing activities		**(7,337.18)**	**(843.22)**

Cash Flow Statement for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

		Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
C.	**Cash flows from financing activities**			
	Proceeds from issue of equity shares including securities premium		186.40	94.77
	Repayment of long term borrowings		(27.28)	(23.29)
	(Repayments of)/proceeds from short term borrowings (net)		-	(3,487.04)
	Equity dividend paid		(362.47)	(226.22)
	Corporate dividend tax paid		(74.51)	(46.05)
	Finance charges paid		(161.27)	(152.53)
	Net cash (used in)financing activities		**(439.13)**	**(3,840.36)**
D.	**Net increase in cash and cash equivalents (A+B+C)**		**(142.00)**	**1,087.41**
E.	**Cash and cash equivalents at the beginning of the year**		**1,373.71**	**286.30**
F.	**Cash and cash equivalents at the end of the year (D+E)[refer note 12]**		**1,231.71**	**1,373.71**
	Components of cash and cash equivalents			
	Balances with banks			
	- on current account		94.34	12.51
	- on cash credit account		131.33	992.99
	Cash on hand		1,006.04	368.21
			1,231.71	**1,373.71**
Summary of significant accounting policies		2.2		

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

For **S.R. Batliboi & Co. LLP**
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: 10th May, 2019

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

1 Corporate Information

V-Mart Retail Limited (the 'Company'), incorporated on July 24, 2002, is a public limited company with its equity shares listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE). The Company trades in readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India. The Company is domiciled in India with registered office situated at 610-611, Guru Ram Dass Nagar, Main Market, Opposite SBI Bank, Laxmi Nagar, New Delhi and corporate office situated at Plot No-862, Udyog Vihar Industrial Area, Phase V, Gurugram, Haryana.

The financial statements of the Company for the year ended March 31, 2019 are authorised for issue on May 10, 2019 in accordance with a resolution of the Board of Directors.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the FS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value;
- Defined benefit plans – plan assets measured at fair value;
- Share based payments;

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (₹ 100,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

Expected to be realised or intended to be sold or consumed in normal operating cycle.

Held primarily for the purpose of trading.

Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

b. Foreign Currencies

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

Transactions in foreign currencies are initially recorded by the Company's at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses rate at the beginning of each month which is approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. **Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosure for valuation method, significant estimates and assumption (note 33)
- Quantitative disclosures of fair value measurement hierarchy (note 44)
- Financial instruments (including those carried at amortized cost) (note 44 and 43)

d. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangement because it typically controls the goods or services before transferring them to the customer. The Company collects value added tax (VAT)/goods and service tax (GST) and 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. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods:

Revenue from sale of trading goods is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has concluded that it is the principal in its revenue arrangements.

Loyalty points programme:

The Company operates a loyalty programme for the customers for the sale of goods. The customers accumulate points for purchases made which entitles them to discount on future purchases. A contract liability for the award points is recognized at the time of the sale. Revenue is recognized when the points are redeemed or on expiry. The expenditure of loyalty programme is netted-off to revenue.

Interest Income:

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Interest income is included in finance income in the Statement of Profit and Loss.

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability In a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

h. Depreciation on Property, plant and equipment

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is ready to put to use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Asset Category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Office equipment	5 years	5 years
Computers		
- Servers and networks	6 years	6 years
- End user devices, such as, desktops, laptops, etc.	3 years	3 years
Vehicles	8 years	8 years
Furniture and fixtures	10 years	10 years
Plant and equipment	6-9 years	15 years

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit oth the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

k. Inventories

Inventories are valued as follows:

a) **Packing and accessories:** At lower of cost and net realisable value. Cost represents purchase price and other direct costs and is determined on a "first in, first out" basis.

b) **Traded goods:** At lower of cost and net realisable value. Cost of inventories comprises all costs of purchase price and other incidental costs incurred in bringing the inventories to their present location and condition. Cost is determined based on first in first out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

l. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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

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

Impairment losses are recognized in the statement of profit and loss.

m. Provisions

Provision are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligations, the provision is reversed.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is defined benefit plan and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each year. Actuarial gain and loss for defined plan benefit plan is recognized in full in the year in which occur in the statement of profit and loss.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Accumulated leave, which are expected to be utilized within the next twelve months are treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of unused entitlement that has accumulated at that reporting period.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

(a) The date of the plan amendment or curtailment, and

(b) The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(b) Net interest expense or income

o. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share Option Outstanding Account' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

p. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss) or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Investments

Investments in mutual fund are measured at FVTPL.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financials assets) is primarily derecognised (i.e. removed from the company's balance sheet) when :

(i) The rights to receive cash flows from the assets have expired , or

(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets
In accordance with IND AS 109, the Company applies expected credit losses(ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure.

- Financial assets measured at amortized cost; e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows "simplified approach" for recognition of impairment loss allowance. For recognition of impairment loss on financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

"ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:"

(i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms
ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost:
ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

q. **Segment reporting**

Identification of segments:

Business segment:

The Company operates in single segment of retails of readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India..

Geographical segment:
The analysis of geographical segments is based on the geographical location of the customers. The Company operates in single geographical segment i.e. India.

r. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of Company's cash management.

s. Cash dividend and non-cash distribution to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

t. Investments

Investments that are readily realisable and intended to be held for not more than twelve months are classified as current investments. All other investments are classified as non-current investments. All investments are carried at fair value.

u. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with the attached condition for such government grant.

v. Dividend

Dividend is recognised as liability only after it is approved by the shareholders in the general meeting.

w. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.3 Changes in accounting policies and disclosures

New and amended standards adopted by the Company

(i) Ind AS 115

The Company has applied the following standards and amendments for the first time for theit annual reporting period commencing April 1, 2018.

The Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 1, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products.

(ii) Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance

(iii) Amendment to Ind AS 21, the Effect of Changes in foreign Exchange Rates in respect of Appendix B, Foreign Currency Transations and Advances

(iv) Amendment to Ind AS 12, Income Taxes

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or the future periods.

Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

3 Property, plant and equipment

Particulars	Plant and machinery	Office Equipment	Leasehold Improvement	Computers	Furniture and fixtures	Vehicles	Total
Cost or valuation							
As at April 1, 2017	5,587.92	336.87	644.00	467.00	5,893.47	227.61	13,156.87
Additions during the year	1,944.01	146.77	135.13	263.14	2,426.47	32.56	4,948.08
Disposals	(15.49)	(0.26)	(31.20)	(0.16)	(7.86)	(36.94)	(91.91)
As at March 31, 2018	7,516.44	483.38	747.93	729.98	8,312.08	223.23	18,013.04
Additions during the year	1,787.73	136.93	418.73	328.17	2,143.84	20.64	4,836.04
Disposals	(193.84)	(27.60)	(3.22)	(63.46)	(118.38)	(41.93)	(448.43)
As at March 31, 2019	**9,110.33**	**592.71**	**1,163.44**	**994.69**	**10,337.54**	**201.94**	**22,400.65**
Depreciation							
As at April 1, 2017	859.19	77.31	72.86	141.78	530.72	18.62	1,700.48
Depreciation charged for the year	1,033.09	118.69	94.08	159.64	778.94	39.32	2,223.76
Disposals	(2.59)	(0.09)	(4.78)	(0.04)	(1.92)	(24.47)	(33.89)
As at March 31, 2018	1,889.69	195.91	162.16	301.38	1,307.74	33.47	3,890.35
Depreciation charged for the year	1,237.50	102.20	101.71	197.74	989.35	33.40	2,661.90
Disposals	(157.12)	(26.04)	(0.72)	(62.31)	(86.37)	(39.83)	(372.39)
As at March 31, 2019	**2,970.07**	**272.07**	**263.15**	**436.81**	**2,210.72**	**27.04**	**6,179.86**
Net book value							
As at March 31, 2018	5,626.75	287.47	585.77	428.60	7,004.34	189.76	14,122.69
As at March 31, 2019	**6,140.26**	**320.64**	**900.29**	**557.88**	**8,126.82**	**174.90**	**16,220.79**

Capital work-in-progress

	March 31, 2019	March 31, 2018
Capital work in progress	400.98	351.02

Refer note 34 for contractual commitments for acquisition of property, plant and equipments

Refer note 46 for assets under pledge

4 Intangible assets

Particulars	Computer software	Total
Cost		
As at April 1, 2017	334.42	334.42
Additions /adjustments during the year	147.29	147.29
As at March 31, 2018	481.71	481.71
Additions /adjustments during the year	77.31	77.31
Disposals/ Write-off	(3.10)	(3.10)
As at March 31, 2019	**555.92**	**555.92**
Amortization		
As at April 1, 2017	60.32	60.32
Charge for the year	69.36	69.36
As at March 31, 2018	129.68	129.68
Charge for the year	100.67	100.67
Disposals/ Write-off	(3.10)	(3.10)
As at March 31, 2019	**227.25**	**227.25**
Net Block		
As at March 31, 2018	352.03	352.03
As at March 31, 2019	**328.67**	**328.67**

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

5. Investments - Non-Current

	Non-Current	
	As at 31 March 2019	As at March 31, 2018
Investment in mutual funds (fully paid-up) - Quoted		
(Measured at fair value through profit or loss)		
SBI Debt Fund Series C-48 (1177 days) - Direct Growth	301.81	-
3,000,000 (March 31, 2018: Nil) units of Rs.10 each		
Reliance Fixed Horizon Fund XXXII S4-Regular PL- Growth	680.67	634.18
5,691,217 (March 31, 2018: 5,691,217) units of Rs.10 each		
Total	**982.48**	**634.18**
Aggregate amount of book value and market value of quoted investments	**982.48**	**634.18**

6. Investments - Current

	Current	
	As at 31 March 2019	As at March 31, 2018
Investment in mutual funds (fully paid-up) - Quoted		
(Measured at fair value through profit or loss)		
Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan	376.42	-
150,346.64 (March 31, 2018 : Nil) units of ₹ 100 each		
Aditya Birla Sun Life Liquid Fund - Growth- Regular Plan	840.31	-
281,032.24 (March 31, 2018 : Nil) units of ₹ 100 each		
Aditya Birla Sun Life Liquid Fund - Growth- Direct Plan	300.74	-
100,101.67 (March 31, 2018 : Nil) units of ₹ 100 each		
HDFC Money Market Fund - Direct Plan-Growth Option	376.41	-
9,603.90 (March 31, 2018 : Nil) units of ₹ 1,000 each		
HDFC Liquid Fund- Direct Plan- Growth Option	233.93	-
6,359.84 (March 31, 2018 : Nil) units of ₹ 1,000 each		
ICICI Prudential Liquid Fund- Growth	612.23	-
222,289.78 (March 31, 2018: Nil) units of ₹ 100 each		
ICICI Prudential Liquid Fund- Direct Plan- Growth	1,223.13	-
442,495.60 (March 31, 2018: Nil) units of ₹ 100 each		
ICICI Prudential Saving Fund - Direct Plan Growth	-	200
Nil (March 31, 2018: 74,027.94) units of ₹ 100 each		
Reliance Liquid Fund - Growth*	-	-
0.12 (March 31, 2018: Nil) units of ₹ 1,000 each		
Kotak Liquid Direct Plan Growth	1,090.27	-
28,810.35 (March 31, 2018: Nil) units of ₹ 1,000 each	31.85	29.37
SBI Magnum Ultra Short Duration Fund-Direct Growth		
764.19 (March 31, 2018: 764.19) Units of ₹ 1,000 each		
Total (I)	**5,085.29**	**229.37**

* since the amount of investment is ₹ 536, hence the amount shown above is rounded to zero.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

6. Investments - Current

	Current	
	As at 31 March 2019	As at March 31, 2018
Investment in bonds (fully paid-up) - Quoted		
(Measured at amortised cost)		
Edelweiss Finvest Private Limited	-	766.92
Nil (March 31, 2018: 750) units		
Infrastructure Leasing & Financial Services Commercial Paper	-	1,276.94
"100,000 (March 31, 2018: 100,000) units [At cost less Impairment in value of investment of Rs.979.94 Lakhs (March 31, 2018: Rs. Nil)] - Refer note 28"		
India Infoline Wealth Finance Limited- 90D- Commercial Paper	-	495.90
Nil (March 31, 2018: 100) units		
Total (II)	-	**2,539.76**
Total (I+II)	**5,085.29**	**2,769.13**
Aggregate amount of book value and market value of quoted investments	5,085.29	2,769.13
Aggregate Impairment in value of investments (refer note 28)	979.94	-

7. Loans

	Non-Current		Current	
	As at 31 March 2019	As at March 31, 2018	As at 31 March 2019	As at March 31, 2018
Unsecured considered good unless otherwise stated				
(Measured at amortised cost)				
Security deposits	960.17	719.52	-	-
Loan to employees	-	-	5.61	7.73
	960.17	**719.52**	**5.61**	**7.73**

8. Other financial assets

	Non-Current		Current	
	As at 31 March 2019	As at March 31, 2018	As at 31 March 2019	As at March 31, 2018
(Measured at amortised cost)				
Margin money deposits*	112.78	126.15	-	-
Interest accrued on margin money deposits	4.87	0.60	-	-
Other receivables	-	-	256.98	111.68
	117.65	**126.75**	**256.98**	**111.68**

* Margin money deposits of ₹11,278,064 (March 31, 2018 : ₹ 12,615,134) are pledged as bank guarantees issued to various tax authorities, Skill Development Authority (for Deen Dayal Upadhyaya Grameen Kaushalya Yojana) and for cash credit facilities with banks.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

9. Deferred tax assets (net)

	As at 31 March 2019	As at March 31, 2018
Tax effect of items constituting deferred tax liabilities		
Measurement of financial assets at fair value through profit or loss	23.40	-
(A)	**23.40**	**-**
Tax effect of items constituting deferred tax assets		
Employee benefits	252.44	145.40
Provision for doubtful advances	6.94	-
Difference between accounting base and tax base of property, plant and equipment	911.87	743.49
Fair valuation of interest free security deposits	2.91	13.68
Measurement of financial assets at fair value through profit or loss	-	17.53
Others	32.23	-
(B)	**1,206.39**	**920.10**
(B)-(A)	**1,182.99**	**920.10**

Movement in deferred tax assets/(liabilities) for year ended March 31, 2019

	As at March 31, 2018	Recognized in other comprehensive income	Recognised in statement profit or loss	As at March 31, 2019
Particulars				
Tax effect of items constituting deferred tax liabilities				
Measurement of financial assets at fair value through profit or loss	(17.53)	-	40.93	23.40
Deferred tax liabilities (a)	**(17.53)**	**-**	**40.93**	**23.40**
Tax effect of items constituting deferred tax assets				
Employee benefits	145.40	19.16	87.88	252.44
Provision for doubtful advances	-	-	6.94	6.94
Difference between accounting base and tax base of property, plant and equipment	743.49	-	168.38	911.87
Fair valuation of interest free security deposits	13.68	-	(10.77)	2.91
Others	-	-	32.23	32.23
Deferred tax assets (b)	**902.57**	**19.16**	**284.66**	**1,206.39**
Net deferred tax assets (a - b)	**(920.10)**	**(19.16)**	**(243.73)**	**(1,182.99)**

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Movement in deferred tax assets/(liabilities) for year ended March 31, 2018

	As at March 31, 2017	Recognized in other comprehensive income	Recognised in statement profit or loss	As at March 31, 2018
Particulars				
Tax effect of items constituting deferred tax liabilities				
Measurement of financial assets at fair value through profit or loss	146.05	-	(146.05)	-
Deferred tax liabilities (a)	**146.05**	**-**	**(146.05)**	**-**
Tax effect of items constituting deferred tax assets				
Employee benefits	225.98	(15.23)	(65.35)	145.40
Provision for doubtful advances	16.74	-	(16.74)	-
Difference between accounting base and tax base of property, plant and equipment	676.73	-	66.76	743.49
Fair valuation of interest free security deposits	12.59	-	1.09	13.68
Measurement of financial assets at fair value through profit or loss	-	-	17.53	17.53
Deferred tax assets (b)	**932.04**	**(15.23)**	**3.29**	**920.10**
Net deferred tax assets (a - b)	**(785.99)**	**15.23**	**(149.34)**	**(920.10)**

10. Other assets

	Non-Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Unsecured considered good unless otherwise stated				
Capital advances				
Unsecured considered good	9.98	15.22	-	-
(A)	**9.98**	**15.22**	-	-
Advances against material and services				
Unsecured considered good	-	-	980.41	397.74
Doubtful	-	-	19.87	-
	-	-	1,000.28	397.74
Less: Impairment Allowance for advances against material and services			(19.87)	
(B)	-	-	**980.41**	**397.74**
Prepaid lease rent	435.32	275.31	83.21	52.33
Prepaid expenses	66.67	-	234.96	54.64
Advance income tax (net of provisions for tax)	68.00	73.89	-	-
Deposits paid under protest*	252.15	230.16	-	-
Balance with government authority	-	427.42	954.64	800.37
(C)	**822.14**	**1,006.78**	**1,272.81**	**907.34**
(A)+(B)+(C)	**832.12**	**1,022.00**	**2,253.22**	**1,305.08**

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

*** Deposit paid under protest includes following**

	Non-Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Value added tax	120.26	127.89	-	-
Service Tax	37.69	37.69	-	-
Others	94.20	64.58	-	-

11. Inventories (valued at lower of cost or net realizable value)*

	As at 31 March 2019	As at 31 March 2018
Traded goods [including stock-in-transit: ₹ 1,012 Lakhs (March 31, 2018: ₹1,177.24 Lakhs)	32,664.52	30,550.33
Packing and accessories	233.89	160.87
	32,898.41	**30,711.20**

*Refer note 45 for details of write-downs of inventory. These were recognized as an expense during the year and included in 'changes in inventories of stock-in-trade in Statement of Profit and Loss.

12. Cash and cash equivalents

	Current	
	As at 31 March 2019	As at 31 March 2018
Balances with banks	-	-
- on current account	94.34	12.51
- on cash credit account	131.33	992.99
Cash on hand	1,006.04	368.21
	1,231.71	**1,373.71**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at 31 March 2019	As at 31 March 2018
Balances with banks	-	-
- on current account	94.34	12.51
- on cash credit account	131.33	992.99
Cash on hand	1,006.04	368.21
	1,231.71	**1,373.71**

Refer note 40 for reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

13. Other bank balances

	Current	
	As at 31 March 2019	As at 31 March 2018
Earmarked balances with Bank	-	-
- Government grant under skill development project*	426.28	463.35
- unclaimed dividend account	0.60	0.22
	426.88	**463.57**

*The Company was awarded skill development projects under the 'Deen Dayal Upadhyaya - Grameen Kaushalya Yojana' ("the Grant") from various state Government for encouraging youth employment. The Company, has received

₹ 826.07 Lakhs (March 31, 2018: ₹ 463.53 Lakhs) so far under such scheme. The Company has spent ₹ 406.89 Lakhs (March 31, 2018: ₹ Nil) on the activities as agreed in the terms of such grant and the balance amount is appearing as liability in respect of skill development project note no. 20.

14 Equity Share capital

	No. of shares in Lakhs	Amount
Authorised Share Capital		
As at April 1, 2017	200.00	2,000.00
Increase/(decrease) during the year	-	-
As at March 31, 2018	200.00	2,000.00
Increase/(decrease) during the year	-	-
As at March 31, 2019	**200.00**	**2,000.00**

a. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Issued equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid

	No. of shares	Amount
As at April 1, 2017	1,80,68,160	1,806.82
Changes during the year	29,195	2.92
As at March 31, 2018	1,80,97,355	1,809.74
Changes during the year	32,638	3.26
As at March 31, 2019	**1,81,29,993**	**1,813.00**

c. No shares was issued as bonus shares, shares issued for consideration other than cash and shares buy back during the five years immediately preceding the reporting date except 6,606,842 bonus shares issued by capitalization of free reserves in the year ended 31 March 2013.

d. Details of equity shareholders holding more than 5% shares in the Company as at 31 March 2019

Name of the Shareholders	As at March 31, 2019		As at March 31, 2018	
	Nos.	% holding	Nos.	% holding
Conquest Business Services Private Limited*	74,89,798	41.31%	74,89,798	41.39%
Jwalamukhi Investment Holding	15,16,880	8.37%	17,88,102	9.88%
Lalit M Agarwal (HUF)	12,77,275	7.05%	12,77,275	7.06%

*Conquest Business Services Private Limited ("Conquest"), a Promoter Company, had acquired 74,89,798 [41.31% (March 31, 2018 : 41.39%)] equity shares of the Company from the Promoter/Promoter group of the Company on 27 March 2018. The aforementioned equity shares acquired by Conquest were held with IIFL Wealth Management Limited and were credited into its demat account on April 3, 2018.

e. Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer note 37

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

15. Other equity

(i) Securities premium reserve

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	9,068.06	8,929.49
Add: premium received during the year	277.07	138.57
	9,345.13	**9,068.06**

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

(ii) Amalgamation reserve

	As at 31 March 2019	As at 31 March 2018
Amalgamation reserve	154.76	154.76
	154.76	**154.76**

Amalgamation reserve pertain to business combinations which materialised prior to transition date to Ind AS.

(iii) Other reserves

	As at 31 March 2019	As at 31 March 2018
Retained earnings	29,240.53	23,550.56
Shares option outstanding account	373.62	161.02
	29,614.15	**23,711.58**
	39,114	**32,934**

Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

Share option outstanding account

The reserve is used to recognize the grant date fair value of options issued to employees under employee stock option schemes and is adjusted on exercise/ forfeiture of options.

For movements of respective heads, refer to the Statement of Changes in Equity.

16. Borrowings

	Non-current portion		Current maturities	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Term loan				
Vehicle loans from banks (secured)	2.60	32.24	29.65	27.29
	2.60	32.24	29.65	27.29
Amount disclosed under the head "other financial liabilities" (refer note 18)	-	-	(29.65)	(27.29)
	-	-	(29.65)	(27.29)
	2.60	**32.24**	-	-

Vehicle loan secured against hypothecation of vehicle obtained from HDFC Bank, repayable in 36 instalment and carrying an interest rate of 8%. The loan was obtained on March 31, 2017.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

17. Trade payables

	Current	
	As at 31 March 2019	As at 31 March 2018
(Measured at amortised cost)		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 39 for details of dues to micro and small enterprises)	2,362.61	82.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,463.39	16,595.54
	14,826.00	**16,678.20**

18. Other financial liabilities

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Financial liabilities carried at amortised cost				
Current maturities of long term debts (refer note 16)	-	-	29.65	27.29
Interest accrued but not due			**0.36**	**0.36**
Book overdraft	-	-	2,160.35	-
Creditors for fixed assets#	-	-	1,411.26	811.71
Others				
Lease related payables	599.51	416.66	96.52	78.94
Employee related payables	-	-	503.62	504.87
Other liabilities	-	-	**32.19**	**105.95**
	599.51	**416.66**	**4,233.95**	**1,529.12**

Includes payables in respect of MSMED parties amounting to ₹ 1069.32 Lakhs (March 31, 2018: Nil) [refer note. 39]

19. Provisions

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Employee benefit obligations				
Provision for gratuity obligation (refer note 36)	510.77	356.85	77.71	28.16
Provision for compensated absences (refer note 36)	-	-	133.93	35.14
	510.77	**356.85**	**211.64**	**63.30**
Current tax liabilities (net)				
Provision for income tax (net of prepaid taxes)^	-	-	971.75	236.90
	-	-	971.75	236.90
	510.77	**356.85**	**1,183.39**	**300.20**

^ The Company carries a tax contingency provision created as a matter of abundant caution of ₹171.19 Lakhs (March 31, 2018:₹ Nil) in respect of claims made by the Company in its return of income for section 80JJAA and education cess on income tax as allowable expense. The management is confident that it will be eligible for deduction.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

20. Other liabilities

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Contract liabilities	-	-	93.58	87.29
Unclaimed dividend*	-	-	0.60	0.22
Liabilities in respect of skill development project (refer note 13)	-	-	402.00	463.53
Statutory dues payable	-	-	404.51	381.94
	-	**-**	**900.69**	**932.98**

* Not due for deposit with Investor Education and Protection Fund

21. Revenue from operations

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	1,43,217.07	1,22,097.32
Other operating revenue	157.41	139.87
Revenue from operations (gross)	**1,43,374.48**	**1,22,237.19**

22. Other income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend income	-	47.14
Liabilities written back	148.48	26.35
Profit on sale of investments (net)	184.12	110.39
Income on investment designated at FVTPL	66.97	50.64
Miscellaneous income	12.22	31.02
	411.79	**265.54**

23. Finance income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on items at amortised cost		
Bank deposits	9.35	1.25
Interest on fair valuation of security deposits	68.31	47.84
Inter-corporate deposits	-	60.66
Bonds	-	38.82
Others	102.85	-
	180.51	**148.57**

24. Purchase of traded goods

	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of traded goods	99,216.07	86,820.49
	99,216.07	**86,820.49**

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

25. (Increase) in inventories

	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year		
Traded goods (including stock in transit)	32,664.52	30,550.33
Packing material and accessories	233.89	160.87
	32,898.41	**30,711.20**
Inventories at the beginning of the year		
Traded goods (including stock in transit)	30,550.33	26,701.00
Packing material and accessories	160.87	216.55
	30,711.20	**26,917.55**
	(2,187.21)	**(3,793.65)**

26. Employee benefits expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	10,369.58	8,026.45
Gratuity Expenses (refer note 36)	174.44	154.95
Employee stock option scheme (refer note 37)	306.53	118.67
Contribution to provident and other funds	**757.71**	**798.49**
Staff welfare	964.25	740.49
	12,572.51	**9,839.05**

27. Other expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	6,717.05	5,210.82
Expense on fair valuation of security deposits	76.63	50.69
Power and fuel	4,223.79	3,370.09
Advertisement and sales promotion	3,393.12	2,619.51
Packing materials and expenses	862.18	691.64
Repairs and maintenance		
- Building	186.87	205.91
- Others	1,188.23	783.56
Commission	173.30	147.86
Security expenses	1,330.56	1,087.78
Communication	120.74	154.35
Travelling and conveyance	461.34	299.98
Credit card and cash collection charges	393.55	390.54
Rates and taxes	49.36	70.64
Vehicle running expenses	143.15	57.84
Legal and professional	574.74	368.83
Printing and stationery	107.80	53.72
Payment to auditors (refer details below "A")	33.93	32.05
Insurance	65.04	52.34
Loss on sale / write-off of fixed assets	69.74	45.56
Provision for doubtful advances	19.87	-
Balances written off	17.25	54.95
Expenses on CSR activities (refer details below "B")	66.48	117.55

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Donations	0.73	4.70
Commission to independent directors	57.22	77.79
Directors' sitting fees	6.50	6.23
Miscellaneous expenses	141.36	137.81
	20,480.53	**16,092.74**

A. Payment to Auditors

	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor:		
Audit fee (including limited reviews)	30.00	31.08
Tax audit fee	2.00	-
Reimbursement of expense	1.93	0.97
	33.93	**32.05**

A. Details of CSR expenditure

			For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Gross amount required to be spent by the Company during the year		148.39	107.83
(b)	Amount spent during the year ended March 31, 2019			
	i)	**Construction/ acquisition of any assets**		
		Paid during the year	-	-
		Yet to be paid	-	-
	ii)	**on purchase other than (i) above**		
		Paid during the year	66.48	117.55
		Yet to be paid	**81.91**	-

28. Exceptional items

	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment in value of investments	979.94	-
	979.94	**-**

During the year, the Company had made investment in commercial papers of Infrastructure Leasing &Financial Services (IL&FS) amounting to ₹ 979.94 Lakhs, which were due for redemption on September 18, 2018. The aforesaid amount and interest thereon have, however, not been received as on date. In view of the fact that there is significant uncertainty on recovery of the entire amount, the management has made a provision of full amount ₹ 979.94 Lakhs as at March 31, 2019. The Company, however, continues to monitor developments on this matter and is committed to take steps including further legal actions that may be necessary to ensure full recoverability.

29. Finance costs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest		
- cash credit facilities	114.43	122.38
- Others	-	11.66
Other borrowing costs	46.84	18.85
	161.27	**152.89**

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

30. Depreciation and amortisation expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of tangible assets	2,661.90	2,223.76
Amortisation of intangible assets	100.67	69.36
	2,762.57	**2,293.12**

31 Tax expense and tax reconciliation

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

a) Tax expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax		
Current income tax charge	3,891.02	3,733.11
Adjustments in respect of current income tax of previous year	171.19	(107.52)
	4,062.21	**3,625.59**
Deferred tax		
Decrease/(increase) in deferred tax assets	(286.29)	11.94
(Decrease)/increase in deferred tax liabilities	23.40	(146.05)
	(262.89)	**(134.11)**
Income tax expense reported in the statement of profit or loss	**3,799.32**	**3,491.48**
Comprises of :-		
Total tax expense as per Statement of profit and loss	3,818.48	3,476.25
Deferred tax related to items recognised in OCI on remeasurements of defined benefit plans	(19.16)	15.23

b) Income tax expense for the period reconciled to the accounting profit

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	9,981.10	11,246.66
Income tax expense calculated at 34.944%	3,522.42	3,892.25
Tax effect of amounts that are not deductible in calculating taxable expense:		
Income not considered in computation of tax expense	-	(16.32)
Permanent differences	354.93	64.61
Deduction claimed on employee benefits	(295.36)	(144.43)
Items taxable at different rate	(8.94)	(163.32)
Others	55.08	(33.79)
Total	**3,628.13**	**3,599.00**
Adjustment in respect of current income tax of previous period	171.19	(107.52)
Income tax expense recognised in statement of profit and loss	**3,799.32**	**3,491.48**

32 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued under ESOP Scheme to employees.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax	6,162.62	7,770.41
Nominal value per share (in ₹)	**10.00**	**10.00**
Weighted average number of Equity shares for basic EPS	181.23	180.95
Effect of dilution:		
- Issuance of shares under ESOP	0.54	0.64
Weighted average number of Equity shares adjusted for the effect of dilution	**181.77**	**181.59**
Earnings per share (in ₹)		
Basic earnings per share	34.01	42.94
Diluted earnings per share	33.90	42.79

33 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) **Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) **Recognition of deferred tax**

The extent to which deferred tax asset to be recognized is based on the assessment of the probability of the future taxable income against which the deferred tax asset can be utilized.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful lives of depreciable assets

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

(ii) Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future trends salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

(iii) Impairment of assets

In assessing impairment, the Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(iii) Share based payments

The Company initially measures the cost of equity-settled transactions with employees using a black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability is regognised at the vesting date.The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 37.

(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(v) Assessment of potential markdown inventory

The Company at each reporting date makes an assessment of potential markedown due to aged inventory. In doing so, it estimates the net relisable value of aged inventory based on historic trend of sale of such/ similar aged inventory. Further, it also estimate the provision for shrink based on past trends which it believes is more than or near to actual shrink to be booked as and when stores are counted anually.

34 Commitments and Contingencies

i) Leases

Operating lease: Company as lessee

General description of significant leasing arrangements is as follows:

The lease terms for office premises, warehouse and store sites are for an period of nine years to fifteen years and having a lock-in period ranging from one to three years. The lease are further renewable on expiry of total lease term subject to mutual consent of both the parties.

Further, the Company has also obtained some of the assets under operating lease from asset leasing company. Such lease agreement are cancellable by giving a three months notice and does not contain lock-in period.

The Company has paid ₹6,717.05 Lakhs (March 31, 2018: ₹5,210.82) Lakhs during the year towards mimimum lease payments.

Future minimum rental payable under the operating lease as at March 31, 2019 are as follows

	As at 31 March 2019	As at 31 March 2018
Within one year	7,169.30	3,129.71
After one year but more than five years	25,976.83	11,078.48
More than five years	34,934.78	4,925.94
Sub-lease payments received (or receivable) recognized in the statement of profit and loss for the year	Nil	Nil
Total future minimum sublease payments expected to be received under non-cancellable subleases	Nil	Nil

Note: Disclosure is given for lease term for which the Company intends to occupy the premises

ii) Commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account not provided in books	105.28	13.90
	105.28	**13.90**

iii) Contingent liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Income tax[1]	-	-
Value added tax[2]	455.84	452.18
Service tax[3]	30.33	30.33
Payment of Bonus (Amendment) Act, 2015[4]	**107.61**	**107.61**
Minimum Wages Act, 1948[5]	**63.98**	**23.97**
	647.76	**614.09**

Income Tax [1]

Demand amounting to ₹ 17.38 Lakhs (March 31, 2018 : ₹ 4.81 Lakhs) was raised by the income tax department for AY 13-14 and AY 16-17 in respect of addition made under rule 8D of section 14A of Income Tax Act, 1961 and other non deductible expenses. The Company either reduced the refund due to it or has made provision against the such demand. However, the Company has filed an appeal before CIT (A) for assessment year 13-14 and has also filed a rectification application for assessment year 16-17.

Value added tax [2]

₹ 445.84 Lakhs (March 31, 2018: ₹ 452.18 Lakhs) represents demand relating to the appropriateness of forms/ declaration made by the Company under relevant sales tax legislations which were primarily procedural and on interstate movement of goods. Pending final decisions, the Company has deposited amounts under protest with statutory authorities for certain cases amounting to ₹ 120.26 (March 31, 2018: ₹127.89) .

Service tax [3]

Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1 2007 by the Finance Act, 2010, the Retailer Association of India (the Company being a member of such Association) has challenged the said levy and, inter-alia, its retrospective application. The Hon'ble Supreme Court has issued an interim order dated October 14, 2011, directing to deposit 50% of the arrears of service tax due upto September 30, 2011 and the balance, if any, at the time of final disposal of the appeal. The amount of service tax on rent in respect of rented stores from June 1, 2007 till September 30, 2011 amounted to ₹108.26 Lakhs of which ₹77.93 Lakhs has been provided for in the Statement of Profit and Loss till March 31, 2017 and the balance ₹30.33 Lakhs has been disclosed as contingent liability in current and previous year. As per directions of the Hon'ble Supreme Court, the Company, has deposited ₹37.69 Lakhs under protest with the concerned authorities and has disclosed this balance as "Service tax deposit" under other non-current assets.

Payment of Bonus (Amendment) Act, 2015[4]

The Payment of Bonus (Amendment) Act, 2015 dated December 31, 2015 (which was made effective from 1 April 2014) revised the thresholds for coverage of employees eligible for bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognizance of the stay granted by Hon'ble High Courts of Kerala (Ernakulam), Karnataka (Bengaluru), Uttar Pradesh (Allahabad) and Madhya Pradesh (Indore) and pending disposal of such matter, the Company, in accordance with the Payment of Bonus (Amendment) Act, 2015, has only recognized an additional expense of ₹213.81 Lakhs for the period April 1, 2015 to March 31, 2016 during previous year ended March 31, 2016 and has not recognised the differential amount of bonus of ₹107.61 Lakhs for the period April 1, 2014 to March 31, 2015.

Minimum Wages Act, 1948[5]

₹63.98 Lakhs (March 31, 2018 : ₹23.97 Lakhs) represents demand under imposed by the labour enforcement officer under The Minimum Wages Act, 1948 mainly on classification of employees into skilled, semi-skilled and un-skilled. The Company has contested the demand and does not anticipate any material liability devolving on the Company.

Others

Supreme Court has passed judgment on February 28, 2019, on the issue of whether certain allowances should be treated as wages for the purposes of Provident Fund (PF). There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

Further there are various labour, legal metrology, food adulteration and cases under other acts pending against the Company, the liability of which cannot be ascertained. However, management does not expect significant or material liability devolving on the Company.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

35 Related party disclosures

(a) Names of related parties and related party relationship

Names of related parties where control exists

Conquest Business Services Private Limited	Entity along with promotor holding having control
Key managerial personnel	
Mr. Lalit Agarwal	Managing Director
Mr. Madan Gopal Agarwal	Whole-time Director
Mr. Akash Moondra	Independent Director
Mr. Murli Ramachandran	Independent Director
Mrs. Sonal Matoo	Independent Director
Mr. Govind Shridhar Shrikhande	Additional Independent Director
Mr. Anand Agarwal	Chief financial officer
Mrs. Megha Tondon	Company Secretary
Relative of Key managerial personnel	
Mrs. Sangeeta Agarwal	Wife of Mr. Lalit Agarwal
Mrs. Uma Devi Agarwal	Wife of Mr. Madan Gopal Agarwal and Mother of Mr. Lalit Agarwal
Mr. Snehal Shah	Son-in-law of Mr. Madan Gopal Agarwal
Mr. Hemant Agarwal	Son of Mr. Madan Gopal Agarwal and Brother of Mr. Lalit Agarwal
Mrs. Smiti Agarwal	Daughter -in-law of Mr. Madan Gopal Agarwal
Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel*	
Lalit M Agarwal (HUF)	HUF in which Mr. Lalit Agarwal is Karta
Madan Gopal Agarwal (HUF)	HUF in which Mr. Madan Gopal Agarwal is Karta
Hemant Agarwal (HUF)	HUF in which Mr. Hemant Agarwal is Karta
Wesbok Lifestyle Private Limited	Company owned by Mr. Hemant Agarwal
V-Mart Foundation	Trust in which Mr. Lalit Agarwal and Mrs. Sangeeta Agarwal is trustee

*Where transactions have occurred.

(b) The following transactions were carried out with related parties in the ordinary course of business:

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Managerial remuneration*						
Mr. Lalit Agarwal	223.56	235.02	-	-	-	-
Mr. Madan Gopal Agarwal	62.76	66.43	-	-	-	-
Post employment benefits - Gratuity						
Mr. Lalit Agarwal	13.08	8.79	-	-	-	-
Mr. Madan Gopal Agarwal	18.69	18.55	-	-	-	-
Independent directors' commission						
Mr. Aakash Moondhra	16.89	29.54	-	-	-	-
Mr. Murli Ramachandran	16.89	24.32	-	-	-	-
Mrs. Sonal Mattoo	16.89	23.84	-	-	-	-
Mr. Govind Sridhar Shrikhande	6.55	-	-	-	-	-

Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Director sitting fees						
Mr. Aakash Moondhra	2.00	2.00	-	-	-	-
Mr. Murli Ramachandran	2.00	2.00	-	-	-	-
Mrs. Sonal Mattoo	1.50	2.00	-	-	-	-
Mr. Govind Sridhar Shrikhande	1.00	-	-	-	-	-
Salaries, wages and bonus #						
Mr. Anand Agarwal	87.08	66.28	-	-	-	-
Mr. Snehal Shah	-	-	56.29	47.95	-	-
Mrs. Megha Tondon	6.25	4.84	-	-	-	-
ESOP issued						
Mr. Anand Agarwal	37.45	-	-	-	-	-
Mr. Snehal Shah	-	-	7.65	20.82	-	-
Dividend paid						
Mr. Lalit Agarwal	-	27.93	-	-	-	-
Mr. Hemant Agarwal	-	-	4.09	2.56	-	-
Mr. Madan Gopal Agarwal	-	8.58	-	-	-	-
Lalit Agarwal (HUF)	-	-	-	-	25.55	12.77
Hemant Agarwal (HUF)	-	-	-	-	7.51	5.30
Mr. Madan Gopal Agarwal (HUF)	-	-	-	-	-	13.02
Mrs. Sangeeta Agarwal	-	-	-	27.15	-	-
Mrs. Smiti Agarwal	-	-	8.97	5.16	-	-
Mrs. Uma Devi Agarwal	-	-	-	16.94	-	-
Conquest Business Services Pvt. Ltd.	-	-	-	-	149.80	-
Contribution to CSR						
V-Mart Foundation	-	-	-	-	41.80	-
Purchase of traded goods						
Wesbok Lifestyle Private Limited	-	-	-	-	-	276.60

***Managerial remuneration comprises of the following:-**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Remuneration (excluding post employment benefits)	244.63	184.97
Commission	138.24	153.03
Perquisites	34.23	34.57
	417.10	**372.57**

Gross salary as per pay sheet including bonus, contribution to PF and LWF. It does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the company as a whole. Further, it does not include perqusites on ESOP considered for income tax purposes on the date of exercise of option.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

(c) **Balance at the end of year**

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Remuneration/salary payable (net of TDS)						
Mr. Lalit Agarwal	56.35	119.74	-	-	-	-
Mr. Madan Gopal Agarwal	18.65	39.72	-	-	-	-
Independent directors' commission payable (net of TDS)						
Mr. Aakash Moondhra	11.39	29.54	-	-	-	-
Mr. Murli Ramachandran	11.39	24.32	-	-	-	-
Mr. Govind Sridhar Shrikhande	5.56	-	-	-	-	-
Mrs. Sonal Mattoo	15.09	23.84	-	-	-	-

36 Employee benefits

Employee benefits obligation

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Contribution to provided fund	-	-	44.60	53.95
Gratuity	510.77	356.85	77.71	28.16
Compensated absences	-	-	133.93	35.14
	510.77	**356.85**	**256.24**	**117.25**

Gratuity an other post-employment benefit plans

The Company has a defined benefit gratuity plan which is not funded. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Changes in the present value of the defined benefit obligation are as follows:

	31 March 2019	31 March 2018
Change in benefit obligation		
Opening defined benefit obligation	385.01	291.36
Service cost	144.43	113.38
Past service cost	-	19.18
Interest expenses	30.01	22.39
Benefits paid	(25.80)	(17.29)
Actuarial changes arising from changes in demographic assumptions	3.63	-
Actuarial changes arising from changes in financial assumptions	70.96	(6.74)
Experience adjustments	(19.76)	(37.27)
Closing defined Benefit obligation	**588.48**	**385.01**

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Balance sheet - Benefit Asset / (Liability)

	31 March 2019	31 March 2018
Present value of defined benefit obligation	588.48	385.01
Fair value of plan assets	-	-
Plan asset / (liability)	**588.48**	**385.01**

Statement of profit and loss

Net employee benefit expense recognized in employee cost (recognised in statement of profit and loss)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	144.43	113.38
Past service cost	-	19.18
Interest cost on benefit obligation	30.01	22.39
Net benefit expense	**174.44**	**154.95**

Remeasurement (gain)/loss recognised in other comprehensive income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial changes arising from changes in demographic assumptions	3.63	-
Actuarial changes arising from changes in financial assumptions	70.96	(6.74)
Experience adjustments	(19.76)	(37.27)
	54.83	**(44.01)**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Economic assumptions

	31 March 2019	31 March 2018
Discount rate	7.00%	7.80%
Salary escalation rate:	**4.75%**	4.75%

Demographic assumptions

	31 March 2019	31 March 2018
Retirement age	60	60
Withdrawal rate, based on age		
Upto 30 years	-	3%
From 31 to 44 years	-	2%
Above 44 years	-	1%
Withdrawal rate, based on period of service		
up to 5 years	40.00%	-
5 years or more	10.00%	-
Mortality rate	**100% of IALM**	**100% of IALM**

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate	- / +1%	- / +1%	547.92	331.10	634.98	453.31
Salary growth rate	- / +1%	- / +1%	633.74	452.82	548.30	331.02
Attrition Rate	- / + 0.50%	- / + 0.50%	569.02	404.73	594.18	360.73
Mortality Rate	- / + 0.10%	- / + 0.10%	588.70	385.75	588.25	384.28

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to demographics are insignificant. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected credit unit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure

	31 March 2019	31 March 2018
Weighted average duration (based on discounted cashflows)	7 years	17 years

The following are defined benefit payments in future years:

	31 March 2019	31 March 2018
Within one year	77.71	28.16
More than 1 year but less than 5 years	257.55	71.49
5 years and more	803.73	1,867.89
	1,138.99	**1,967.54**

(i) **Risk analysis**

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

Interest rate risk

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields falls, the defined benefit obligation will tend to increase.

Salary Inflation risk

Higher than expected increases in salary will increase the defined benefit obligation

Demographic risk

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary Increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Detailed information to the extent provided by the actuary in the actuarial certificate has been included in the disclosure given above.

37 Share Based Payments

Employee Stock Options (ESOP)

The Company has implemented an Employee Stock Option Scheme, which was approved by the Board of Directors and the shareholders vide resolution dated July 2, 2012 and July 10, 2012 respectively ('the V-Mart ESOP Scheme 2012' or the "Scheme"), consequent to which 300,000 equity shares with a nominal value of ₹10 each will be granted upon exercise of as stock options (ESOPs) to eligible employees. The exercise price of these options will be determined by the Remuneration Committee and the options will vest over a period of twelve months to thirty six months of continued employment from the grant date.

(a) Below are the details in respect of ESOPs granted till March 31, 2019

Particulars	Grant date	ESOPs granted	Exercise price (in ₹)	Vesting option (in Nos.)			Market value of equity shares on the date of grant (in ₹)
				Completion of twelve months	Completion of twenty four months	Completion of thirty six months	
Grant I	20-Jul-12	1,53,252	150.00	45,975	45,975	61,302	150.00
Grant II	05-Jan-15	22,350	450.00	6,705	6,705	8,940	539.30
Grant III	28-Dec-15	13,645	573.00	4,093	4,093	5,459	586.30
Grant IV	30-Jan-17	76,225	470.00	22,867	22,867	30,491	522.35
Grant V	12-Jul-17	6,395	900.00	1,918	1,919	2,558	1,243.90
Grant VI	09-Nov-17	9,300	1,260.00	2,790	2,790	3,720	1,412.60
Grant VII	24-May-18	18,527	2,047.00	5,558	5,558	7,411	2,274.05
Grant VIII	22-Jul-18	40,764	2,044.00	12,229	12,229	16,306	2,270.95
Grant IX	02-Nov-18	3,426	2,286.00	1,028	1,028	1,370	2,540.25

The vesting of options is subject to the continued employment of the grantee over the vesting period. The options granted can be exercised after vesting at any time before the expiry of eight years from the grant date.

(b) The relevant details in respect of V-Mart ESOP Scheme 2012 are summarized below:

	31 March 2019		31 March 2018	
	Number of options	Weighted average price in (₹)	Number of options	Weighted average price in (₹)
Outstanding at the beginning of the year	97,219	635.08	1,21,572	442.15
Granted during the year	62,717	2,058.11	15,695	1,113.32
Exercised during the year	32,638	571.13	29,195	324.60
Forfeited during the year	4,192	1,080.26	10,853	470.00
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,23,106	1,320.27	97,219	635.08
Exercisable at the end of the year	25,629	491.94	28,557	479.53
No. of equity shares of ₹ 10 each fully paid up to be issued on exercise of option	1,23,106	1,320.27	97,219	635.08

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

Weighted average remaining contractual life (in years)

	31 March 2019	31 March 2018
Weighted average remaining contractual life (in years)	6.56	6.68

(c) The fair value of the options was estimated on the date of grant using the Black-Scholes Model with the following significant assumptions

Particulars	Risk free interest rates (in %)	Expected life (in years)	Volatility (in %)	Dividend yield (in %)	Weighted average exercise price (in ₹)	Weighted average fair value of stock option (in ₹)
Grant I	8.42%	4 years	25.00%	0.27%	150.00	50.89
Grant II	8.32%	4 years	41.00%	0.20%	450.00	263.00
Grant III	8.16%	4 years	38.74%	0.20%	573.00	248.00
Grant IV	7.93%	4 years	30.13%	0.24%	470.00	211.00
Grant V	7.80%	4 years	42.48%	0.18%	900.00	673.00
Grant VI	7.64%	4 years	50.76%	0.10%	1,260.00	727.00
Grant VII	7.45%	3 years	40.30%	0.10%	2,047.00	902.00
Grant VIII	7.42%	3 years	41.49%	0.10%	2,044.00	913.00
Grant IX	7.37%	3 years	22.23%	0.10%	2,286.00	792.00

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not also necessary be the actual outcome.

38 Segment information

Ind AS 108 establishes standards for the way that the Company report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations comprises of only one segment i.e. Retail sale business of various merchandise products. The Company operates primarily in India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment. Based on the "management approach" as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment. In view of the same, separate segment information is not required to be given as per the requirements of Ind AS 108 on “Operating Segments”. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

39 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	31 March 2019	31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises (refer note 17 and 18)	3,431.93	80.49
Interest due on above	-	2.17
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Interest paid to suppliers under MSMED Act	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

40 Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Non-current borrowings	Current borrowings	Equity share capital	Total
Net debt as at March 31, 2017	59.54	23.29	1,806.82	1,889.65
Proceeds from issue of equity share capital	-	-	2.92	2.92
Repayment of current borrowings (net)	-	(23.29)	-	(23.29)
Current maturities of long-term debts	(27.29)	27.29	-	-
Net debt as at March 31, 2018	**32.25**	**27.29**	**1,809.74**	**1,869.28**
Proceeds from issue of equity share capital	-	-	3.26	3.26
Repayment of current borrowings (net)		(27.29)	-	(27.29)
Current maturities of long-term debts	(29.65)	29.65	-	-
Net debt as at March 31, 2019	**2.60**	**29.65**	**1,813.00**	**1,845.25**

41 Disclosure required under Section 186 (4) of the Companies Act, 2013

Particulars of interest bearing inter-company deposits given:

Name of the party	Opening Balance	Loan Given	Loan Repayment	Outstanding balance	Purpose
Karvy Data Management Services Limited					General business purpose
March 31, 2019	-	-	-	-	
March 31, 2018	-	2,000.00	2,000.00	-	

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

42 Financial risk management

A. Capital risk management

The Company's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The Company determines the amount of capital required on the basis of an annual budget and a five year plan, including, for working capital, capital investment in stores and technology. The Company's funding requirements are met through internal accruals and a combination of both long-term (Vehicle loans only) and short-term borrowings.

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Company:

	31 March 2019	31 March 2018
Long term borrowings (including current maturities)	32.25	59.53
Less: Cash and cash equivalents	(1,231.71)	(1,373.71)
Total debt	**(1,199.46)**	**(1,314.18)**
Equity share capital	1,813.00	1,809.74
Other equity	39,114.04	32,934.40
Total equity	**40,927.04**	**34,744.14**
Gearing ratio	**-2.93%**	**-3.78%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

B. Financial risk management

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Company's operational and financial performance.

Market risk :

Market Risk is the risk that changes in market place could affect the future cash flows to the Company. The market risk for the Company arises primarily from interest rate risk and product price risk.

i) **Interest risk:** The Company is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Company uses available working capital limits for availing short term cash credits. The Company mitigates the same through efficient use of working capital limits and regular monitoring of Interest Coverage ratio. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

ii) **Product price risk:** In a potentially inflationary economy, the Company expects periodical price increases across its retail product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/retail sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to retail customers to sustain volumes. The Company negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Company protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

Liquidity risk:

Liquidity risk is a risk that the Company may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Company's financial liabilities based on contractual undiscounted cash flows.

Particulars	Less than one year	Between one and five years	More than five years	Carrying amounts
As at March 31, 2019				
Borrowings (non current and current)	**29.65**	**2.60**	**-**	**32.25**
Interest payable	**0.36**	**-**	**-**	**0.36**
Trade payables and other accruals	**19,029.94**	**323.30**	**276.21**	**19,629.45**
As at March 31, 2018				
Borrowings (non current and current)	27.29	32.24	-	59.53
Interest payable	0.36	-	-	0.36
Trade payables and other accruals	18,179.67	216.10	200.56	18,596.33

The Company has access to following financing facilities which were undrawn as at the end of reporting periods mentioned

	31 March 2019	31 March 2018
Secured working capital facilities		
Amount used	-	-
Amount unused	1,00,000.00	9,075.88
Total	**1,00,000.00**	**9,075.88**
Unsecured working capital facilities		
Amount used	-	-
Amount unused	-	-
Total	-	-

Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are also set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company considers reasonable and supportive forward-looking information.

The Company provides for twelve month expected credit losses for the following financial assets

As at March 31, 2019

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
Investments (refer note 28)	7,047.71	979.94	6,067.77
Loans	965.78	-	965.78
Cash and cash equivalents	1,231.71	-	1,231.71
Margin money deposits	374.63	-	374.63
Other bank balances	426.88	-	426.88
Total financial assets	**10,046.71**	**979.94**	**9,066.77**

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

As at March 31, 2018

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
Investments	3,403.31	-	3,403.31
Loans	727.25	-	727.25
Cash and cash equivalents	1,373.71	-	1,373.71
Margin money deposits	238.43	-	238.43
Other bank balances	463.57	-	463.57
Total financial assets	**6,206.27**	**-**	**6,206.27**

Concentration of financial assets

The Company's principal business activities are of retailing in consumer care and food products. All financial assets pertain to the retail business.

43 Fair value measurements

Financial instruments by category

	March 31, 2019		March 31, 2018	
	Carrying value	Fair Value	Carrying value	Fair Value
Financial assets				
Fair value through profit and loss				
Investments				
- Mutual Funds	6,067.77	6,067.77	863.55	863.55
Fair value through amortised cost				
Investments				
- Bonds	-	-	2,539.76	2,539.76
Loans	965.78	965.78	727.25	727.25
Cash and cash equivalents	1,231.71	1,231.71	1,373.71	1,373.71
Margin money deposits	374.63	374.63	238.43	238.43
Other bank balances	426.88	426.88	463.57	463.57
Total financial assets	**9,066.77**	**9,066.77**	**6,206.27**	**6,206.27**
Financial liabilities				
Fair value through amortised cost				
Borrowings	32.25	32.25	59.53	59.53
Trade payables	14,826.00	14,826.00	16,678.20	16,678.20
Interest payable	0.36	0.36	0.36	0.36
Book Overdraft	2,160.35	2,160.35	-	-
Employee related payables	503.62	503.62	504.87	504.87
Capital creditors	1,411.26	1,411.26	811.71	811.71
Other payables	728.22	728.22	601.55	601.55
Total financial liabilities	**19,662.06**	**19,662.06**	**18,656.22**	**18,656.22**

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The following methods and assumptions were used to estimate the fair values:

The fair value of quoted investments are based on price quotations as on the reporting date.

The security deposits paid are evaluated by the company based on parameters such as interest rate, risk factors , risk characteristics, and individual credit worthiness of the counterparty. Based on this evaluation allowances are taken into account for the expected losses of the security deposits.

44 Fair hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments in mutual funds	**March 31, 2019**	**6,067.77**	**6,067.77**	**-**	**-**
	March 31, 2018	863.55	863.55	-	-
Investments in Bonds	**March 31, 2019**	**-**	**-**	**-**	**-**
	March 31, 2018	2,539.76	-	2,539.76	-
Loans	**March 31, 2019**	**965.78**	**-**	**-**	**965.78**
	March 31, 2018	727.25	-	-	727.25

There have been no transfers between Level 1 and Level 2 during the year.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed traded mutual funds that have quoted price. The mutual funds are reported using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Note :

The carrying amount of trade receivables, trade payables, capital creditors, borrowing, employee payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

45 The Company on a periodic basis assesses the markdown of its aged and obsolete inventories (including shrink due to various reasons). The exercise has been carried out throughout the year and also at the year end. The estimated markdown including shrink in consumption of stock-in -trade amounts to ₹ 2343.13 Lakhs (March 31, 2018:₹1,597.38 Lakhs). The management believes that such loss is as per the industry standards and does not require any seperate disclosure in financial statements.

Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

46 Assets pledged as security

The carrying amounts of asset pledged as security for current and non-current borrowings are:

	31 March 2019	31 March 2018
Current		
Financial assets		
Investments	5,085.29	2,769.13
Cash and cash equivalent	1,231.71	1,373.71
Other bank balances	426.88	463.57
Other financial assets	256.98	111.68
Non-financial assets		
Inventories	32,898.41	30,711.20
Total current assets pledged as security	**39,899.27**	**35,429.29**
Non-current		
Property, plant and equipment**	16,158.19	-
Capital work in progress**	400.98	-
Financial assets		
Investments	982.48	634.18
Other financial assets	117.65	126.75
Non-financial assets		
Vehicles*	62.60	189.76
Total non-current assets pledged as security	**17,721.90**	**950.69**
Total assets pledged as security	**57,621.17**	**36,379.98**

***Secured Loan**

Vehicle loan secured against hypothecation of vehicle obtained from HDFC Bank, repayable in 36 instalment and carrying an interest rate of 8%. The loan was obtained on March 31, 2017.

**Represent collateral Security

Undrawn committed borowing facilities

The Company has sanctioned working capital limits amounting to ₹ 11,500 Lakhs (March 31, 2018: ₹ 7400 Lakhs) including non fund based limit of ₹ 1,500 Lakhs from SBI, ICICI and HDFC Bank. An amount of ₹ 11,268.50 Lakhs remains undrawn as at March 31, 2019 (March 31, 2018 ; ₹ 7394.32 Lakhs). Further, the limits available is secured by way of:

i) Pari passu first hypothecation charge with all the working capital lenders on entire current assets including stock and all the present and future book debts

ii) Pari passu first hypothecation charge with all the working capital lenders on all the present and future fixed assets of the Company excluding vehile and assets financed by other banks under the finance lease and term loan

iii) Exclusive charge over personal property of Mr. Lalit Agarwal, Mr. Madan Gopal Agarwal & Mrs. Sangeeta Agarwal and their personal guarantee.

iv) Exclusive charge over Lien on Mutual Funds of Reliance Fixed Horizon Fund XXXII S4-Regular PL- Growth and SBI Magnum Ultra Short Duration Fund-Direct Growth

v) Exclusive charge over FDRs of ₹ 67 Lakhs.

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

47 Offsetting financial assets and financial liabilities

	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
Financial liabilities						
Borrowings						
March 31, 2019	**32.25**	**-**	**32.25**	**-**	**62.60**	**-**
March 31, 2018	59.53	-	59.53	-	189.76	-

Collateral against borrowings

The company has pledged financial instruments as collateral against a number of its borrowings. Refer to Note 46 for further information on financial and non-financial collateral pledged as security against borrowings

48 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2019 amending the following standard:

(i) Ind AS 116 Leases

Ind AS 116 was notified by the MCA on 30th March 2019. The standard is applicable for the financial year beginning on or after 1 April 2019 to all the companies reporting under Ind AS.

The new standard proposes an overhaul in the accounting for lessees by completely letting go off the previous “dual” finance vs. operating lease model. The guidance in the new standard requires lessees to adopt a single model approach which brings leases on the balance sheet on first day, in the form of a right-of-use asset and a lease liability.

The Company is in the process of making an assessment of the impact of Ind-AS 116 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.

(ii) Amendments to existing issues IND AS

The MCA has also carried out amendments in following accounting standards. These are:

(a) Ind AS 12 Income taxes to Appendix C Uncertainty over income tax treatments.

(b) Ind AS 19 Employee Benefits

(c) Ind AS 23 Borrowing Costs

(d) Ind AS 28 Investments in Associates and Joint Ventures

(e) Ind AS 109 Financial Instruments

(f) Ind AS 111 Joint Arrangements

Application of above standards are not expected to have any significant impact on the Company’s financial statements.

Notes to financial statements for the year ended March 31, 2019

(All amounts in ₹ Lakhs, except for share data, per share data and unless otherwise stated)

49 Event occurring after balance sheet date

The Board of Directors of the Company, in their meeting held on May 10, 2019, recommended a final dividend of ₹1.70 per fully paid up equity shares of ₹ 10 each, aggregating to ₹ 308.21 Lakhs for the year ended March 31, 2019 (March 31, 2018: ₹ 1.80 per fully paid up equity share of ₹ 10 each, aggregating to ₹325.75 Lakhs), subject to the approval of shareholders at the Annual General Meeting of the Company.

50 Previous year financials have been audited by a firm of Chartered Accountants other than S.R. Batliboi & Co. LLP.

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Vikas Mehra**
Partner
Membership Number: 094421

Place: New Delhi
Date: 10th May, 2019

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
PAN: ADDPA0633P

Megha Tandon
Company Secretary
Mem. No. A35532

INDEPENDENT AUDITOR'S REPORT

To
The Members of
V-Mart Retail Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of V-Mart Retail Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

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

Other Matter

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

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

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 24 May 2018 as per Annexure B expressed an unqualified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in Note 35 to the financial statements, has disclosed the impact of pending litigations on its financial position;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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

per **Anupam Kumar**
Partner
Membership No.: 501531

Place: Gurugram
Date: 24 May 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditor's Report of even date to the members of V-Mart Retail Limited, on the financial statements for the year ended 31 March 2018

Annexure A

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment and intangible assets under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. Material discrepancies noticed on such verification have been properly dealt with in the books of account.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been slight delay in few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

Statement of Disputed Dues

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

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

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

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

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

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

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

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

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

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

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

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

per **Anupam Kumar**
Partner
Membership No.: 501531

Place: Gurugram
Date: 24 May 2018

Annexure B to the Independent Auditor's Report of even date to the members of V-Mart Retail Limited on the financial statements for the year ended 31 March 2018

Annexure B

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

per **Anupam Kumar**
Partner
Membership No.: 501531

Place: Gurugram
Date: 24 May 2018

BALANCE SHEET as at 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

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

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

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

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

per **Anupam Kumar**
Partner

Place: Gurugram
Date: 24 May, 2018

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
ADDPA0633P

Megha Tandon
Company Secretary
Membership No. A35532

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

(All amounts in ₹ lacs, unless stated otherwise)

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

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

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

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

per **Anupam Kumar**
Partner

Place: Gurugram
Date: 24 May, 2018

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
ADDPA0633P

Megha Tandon
Company Secretary
Membership No. A35532

CASH FLOW STATEMENT for the year ended 31 March 2018

(By indirect method)

(All amounts in ₹ lacs, unless stated otherwise)

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

CASH FLOW STATEMENT for the year ended 31 March 2018

(By indirect method)

(All amounts in ₹ lacs, unless stated otherwise)

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

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

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

per **Anupam Kumar**
Partner

Place: Gurugram
Date: 24 May, 2018

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
ADDPA0633P

Megha Tandon
Company Secretary
Membership No. A35532

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

	Amount
A. Equity share capital	
Balance as on 1 April 2016	1,806.67
Issue of equity share capital under Employee Stock Option Scheme	0.15
Balance as on 31 March 2017	1,806.82
Issue of equity share capital under Employee Stock Option Scheme	2.92
Balance as on 31 March 2018	1,809.74

B. Other equity

Particulars	Securities premium reserve	Amalgamation reserve	Retained earnings	Shares option outstanding account	Total
Balance as on 1 April 2016	8,926.69	154.76	11,638.71	51.11	20,771.27
Profit for the year	-	-	4,390.43	-	4,390.43
Remeasurement of defined benefit obligations	-	-	16.26	-	16.26
Payment of dividend on equity shares #	-	-	(18.08)	-	(18.08)
Payment of dividend distribution tax	-	-	(3.68)	-	(3.68)
Recognition of share based payment expenses	-	-	-	38.71	38.71
Transfer from share option outstanding account on exercise of options	0.75	-	-	(0.75)	-
Received during the year against issue of shares to employees under ESOP scheme	2.05	-	-	-	2.05
Balance as on 31 March 2017	8,929.49	154.76	16,023.64	89.07	25,196.96
Profit for the year	-	-	7,770.41	-	7,770.41
Remeasurement of defined benefit obligations	-	-	28.78	-	28.78
Payment of dividend on equity shares #	-	-	(226.22)	-	(226.22)
Payment of dividend distribution tax	-	-	(46.05)	-	(46.05)
Recognition of share based payment expenses	-	-	-	118.67	118.67
Transfer from share option outstanding account on exercise of options	46.72	-	-	(46.72)	-
Received during the year against issue of shares to employees under ESOP scheme	91.85	-	-	-	91.85
Balance as on 31 March 2018	9,068.06	154.76	23,550.56	161.02	32,934.40

Transactions with owners in their capacity as owners

This is the Statement of Changes in Equity referred to in our report of even date.

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

per **Anupam Kumar**
Partner

Place: Gurugram
Date: 24 May, 2018

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

Madan Gopal Agarwal
Director
DIN No. 02249947

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Managing Director
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Anand Agarwal
Chief Financial Officer
ADDPA0633P

Megha Tandon
Company Secretary
Membership No. A35532

1. Corporate information

V-Mart Retail Limited (the 'Company'), incorporated on 24 July 2002, is a public limited company with its equity shares listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE). The Company retails readymade garments, accessories, etc. and is engaged in the business of "Value Retailing" through the chain of stores situated at various cities in India. The Company is domiciled in India with registered office situated at 610-611, Guru Ram Dass Nagar, Main Market, Opposite SBI Bank, Laxmi Nagar, New Delhi and corporate office situated at Plot No-862, Udyog Vihar Industrial Area, Phase V, Gurugram. The financial statements of the Company for the year ended 31 March 2018 are authorised for issue on 24 May 2018 in accordance with a resolution of the Board of Directors. The revision to financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Companies Act, 2013 ("the Act").

2(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ('Ind AS') and comply with requirements of Ind AS, stipulations contained in Schedule III (revised) as applicable under Section 133 of the Act, the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other pronouncements/ provisions of applicable laws. For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Act read together with Rule 7 of the Companies (Accounts) Rules 2014 ('Indian GAAP'). The financial statements for the year ended 31 March 2018 are the first to have been prepared in accordance with Ind AS.

The transition to Ind AS was carried out retrospectively as on the transition date of 01 April 2016. The financial statements contain an opening balance sheet as on 01 April 2016, comparative information for 31 March 2017 presented under Ind AS and reconciliation for key changes for amounts reported under Indian GAAP and Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);

ii. Share based payments;

The financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III to the Act, unless otherwise stated.

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

i. Expected to be realised or intended to sold or consumed in normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Expected to be realised within twelve months after the reporting period; or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle

ii. It is held primarily for the purpose of trading

iii. It is due to be settled within twelve months after the reporting period, or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

The financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III to the Act, unless otherwise stated.

2(b) Recent accounting pronouncements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018 via notification dated 28 March 2018 to further amend Companies (Indian Accounting Standards) Rules, 2015, notifying a new revenue recognition standard Ind AS 115, 'Revenue from Contracts with Customer'. This amendment replaces Ind AS 18, 'Revenue' and Ind AS 11, 'Construction Contracts'. Also notifying an insertion of Appendix B, 'Foreign currency transaction and advance consideration' to Ind AS 21, 'The effect of change in foreign exchange rate', amendment to Ind AS 40, 'Investment property' and amendment to Ind AS 12, 'Income taxes'. The amendments are applicable to the Company from 01 April 2018.

- Notification of Ind AS 115:

The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

a. Identify the contract(s) with a customer;

b. Identify the performance obligations;

c. Determine the transaction price;

d. Allocate the transaction price to the performance obligations;

e. Recognise revenue when or as an entity satisfies performance obligation.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.

- Insertion of Appendix B to Ind AS 21:

  This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it). The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability), for recognising related expense/income on the settlement of said asset/liability.

This Appendix does not apply when an entity measures the related asset, expense or income on initial recognition:

a. At fair value; or

b. At the fair value of the consideration paid or received at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability arising from advance consideration.

An entity is not required to apply this Appendix to:

a. income taxes; or

b. insurance contracts (including reinsurance contracts) that it issues or reinsurance contracts that it holds.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.

- Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.

2(c) Significant accounting policies

i) Fair value measurements

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

ii) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excludes taxes/ duties collected on behalf of the government.

a) Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. GST and value added tax (VAT) are not received by the Company on its own account but collected on behalf of the government and accordingly, are excluded from revenue.

b) Interest:

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Interest income is included in finance income in the Statement of Profit and Loss.

c) Services rendered:

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties

iii) Inventories

Inventories are valued as follows:

a) Packing and accessories: At lower of cost and net realisable value. Cost represents purchase price and other direct costs and is determined on a "first in, first out" basis.

b) Traded goods: At lower of cost and net realisable value. Cost of inventories comprises all costs of purchase price and other incidental costs incurred in bringing the inventories to their present location and condition. Cost is determined based on first in first out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

iv) Property, plant and equipment ("PPE")

PPE and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of PPE shall be recognised as an asset if, and only if:

a) it is probable that future economic benefits associated with the item will flow to the entity; and

b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of PPE is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day- to- day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the y during which such expenses are incurred. Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during-the construction periods which are not related to construction activity nor are incidental thereto are charged to the Statement of Profit and Loss.

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is ready to put to use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Assets category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Plant and equipment	6-9 years	15 years
Office equipment	5 years	5 years
Computers	3-6 years	3-6 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

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

v) Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development costs, pre-operating expenses and other direct expenditure.

vi) Intangible assets

Intangible assets are initially recognised at:

a) In case the assets are acquired separately then at cost,

b) In case the assets are acquired in a business combination then at fair value.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss. Intangible assets are amortised on a straight line basis over 6 years.

vii) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed to the Statement of Profit and Loss in the period in which they occur.

viii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 01 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit or the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

ix) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. All investments are carried at fair value.

x) Dividend

Dividend declared is recognised as a liability only after it is approved by the shareholders in the general meeting.

xi) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of PPE are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

xii) Employee benefits

Contribution to provident and other funds

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Company recognises termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

xiii) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share Option Outstanding Account' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

xiv) Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

xv) Income taxes

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit or Loss (either in other comprehensive income or in equity).

xvi) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

xvii) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

xviii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

For purposes of subsequent measurement, financial assets are classified as follows:

a) Debt instruments at amortised cost

A debt instrument' is measured at the amortised cost where the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income from these financial assets is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

b) Debt instruments at Fair Value Through Other Comprehensive Income

Assets that are held for collection of contractual cashflows and for selling the financial assets, where the cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income ("FVOCI"). The Company has not designated any debt instrument in this category.

c) Debt instruments at Fair Value Through Profit or Loss

Fair Value Through Profit or Loss ("FVTPL") is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

d) Investment in mutual fund
Investments in mutual funds are measured at FVTPL.

e) Equity instruments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 'Business Combinations' applies are Ind AS classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair values. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition
A financial asset is derecognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive the contractual cash flows from the asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred.

Impairment of financial assets
The Company measures the Expected Credit Loss ("ECL") associated with its assets based on historical trends, industry practices and the general business environment in which it operates. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/ expense in the Statement of Profit and Loss under the head 'other expenses'.

Financial liabilities

Initial recognition and measurement
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost
After initial recognition, financial liabilities designated at amortised costs are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date of executing a derivative contract and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

xix) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

xx) Dividend distribution to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

xxi) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

xxii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

xxiii) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events, other than conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

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

xxiv) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acCompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

i) Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Recognition of deferred tax

The extent to which deferred tax asset to be recognised is based on the assessment of the probability of the future taxable income against which the deferred tax asset can be utilised.

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Useful lives of depreciable assets

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

b) Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future trends salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Inventories

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. Further, the Company also estimate expected loss due to shrinkage, pilferage etc. along with NRV impact on old inventory taking into account most reliable information available at the reporting date.

d) Impairment of assets

In assessing impairment, the Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

xxv) Measurement of EBIDTA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

(All amounts in ₹ lacs, unless stated otherwise)

3(a) Property, plant and equipment

Particulars	Plant and Equipment	Office Equipment	Leasehold Improvements	Computers	Furniture and Fixtures	Vehicles	Total
As at 1 April 2016 cost	4,149.06	222.43	1,320.84	300.03	4,964.01	114.92	11,071.29
Ind AS adjustment (refer note 51)	(238.32)	(3.30)	(910.76)	-	(781.21)	(5.12)	(1,938.71)
As at 1 April 2016 - Deemed Cost	3,910.74	219.13	410.08	300.03	4,182.80	109.80	9,132.58
Additions	1,702.51	118.80	380.93	167.91	1,786.90	122.83	4,280.23
Disposals	(25.33)	(1.06)	(147.01)	(0.94)	(76.23)	(5.37)	(255.94)
As at 31 March 2017	5,587.92	336.87	644.00	467.00	5,893.47	227.61	13,156.87
As at 1 April 2017	5,587.92	336.87	644.00	467.00	5,893.47	227.61	13,156.87
Additions	1,944.01	146.77	135.13	263.14	2,426.47	32.57	4,948.08
Disposals	(15.49)	(0.26)	(31.20)	(0.16)	(7.86)	(36.94)	(91.91)
As at 31 March 2018	7,516.44	483.38	747.93	729.98	8,312.08	223.24	18,013.04
Accumulated depreciation							
As at 1 April 2016	-	-	-	-	-	-	-
Charge for the year	876.19	77.99	86.95	142.32	587.82	23.73	1,795.00
Disposals	(17.00)	(0.68)	(14.09)	(0.54)	(57.10)	(5.11)	(94.52)
As at 31 March 2017	859.19	77.31	72.86	141.78	530.72	18.62	1,700.48
As at 1 April 2017	859.19	77.31	72.86	141.78	530.72	18.62	1,700.48
Charge for the year	1,033.09	118.69	94.08	159.64	778.94	39.32	2,223.76
Disposals	(2.59)	(0.09)	(4.78)	(0.04)	(1.92)	(24.48)	(33.89)
As at 31 March 2018	1,889.69	195.91	162.16	301.38	1,307.74	33.46	3,890.35
Carrying amount (net)							
As at 1 April 2016 - Cost	3,910.74	219.13	410.08	300.03	4,182.80	109.80	9,132.58
As at 31 March 2017	4,728.73	259.56	571.14	325.22	5,362.75	208.99	11,456.39
As at 31 March 2018	5,626.75	287.47	585.77	428.60	7,004.34	189.78	14,122.69

Note - Refer to note 35 for disclosure of contractual committments for the acquisition of property, plant & equipment.

(All amounts in ₹ lacs, unless stated otherwise)

3(b) : Other intangible assets

	Computer Software
Cost or Deemed Cost	
As at 1 April 2016	274.69
Additions	59.73
Disposal	-
As at 31 March 2017	334.42
As at 1 April 2017	334.42
Additions	147.29
Disposal	-
As at 31 March 2018	481.71
Accumulated depreciation	
As at 1 April 2016	-
Charge for the year	60.32
Disposals/adjustments	-
As at 31 March 2017	60.32
As at 1 April 2017	60.32
Charge for the year	69.36
Disposals/adjustments	-
As at 31 March 2018	129.68
Carrying amount (net)	
As at 1 April 2016	274.69
As at 31 March 2017	274.10
As at 31 March 2018	352.03

4(a) Non-current investments

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment in mutual funds (fully paid-up)			
(Measured at fair value through profit or loss)			
Quoted			
DHFL Fixed Maturity Plan-Direct Plan - Growth- Nil units (31 March 2017: Nil units; 1 April 2016: 12,500,000 units)	-	-	1,511.76
SBI Debt Fund Series- Direct - Growth- Nil units (31 March 2017: Nil units; 1 April 2016: 530,000 units)	-	-	61.52
Reliance Mutual Fund- Fixed Horizon - Growth- 5,691,217 units (31 March 2017: 5,691,217 units; 1 April 2016: Nil units)	634.18	584.91	-
Total	634.18	584.91	1,573.28
Aggregate amount of book value and market value of quoted investments	634.18	584.91	1,573.28

(All amounts in ₹ lacs, unless stated otherwise)

4(b) Current investments

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Investment in mutual funds (fully paid-up)			
(Measured at fair value through profit or loss)			
Quoted			
DHFL Fixed Maturity Plan - Direct Plan - Growth - Nil units (31 March 2017: 12,500,000 units; 1 April 2016: Nil units) #	-	1,648.69	-
DHFL Fixed Maturity Plan - Growth - Nil units (31 March 2017: Nil units; 1 April 2016: 5,000,000 units)	-	-	589.75
IDFC Ultra Short Term Fund - Daily Dividend (Direct Plan) - Nil units (31 March 2017: 47,798,788 units; 1 April 2016: 14,258,401 units)	-	4,832.84	1,433.70
SBI Debt Fund Series - Direct - Growth- Nil units (31 March 2017: 530,000 units; 1 April 2016: Nil units) #	-	67.04	-
SBI Ultra Short Term Debt Fund- Daily Dividend- Nil units (31 March 2017: 4,968.37 units; 1 April 2016: Nil units)		50.00	-
SBI Magnum Insta Cash Fund-Direct Plan- Growth - 764.19 Units (31 March 2017: NIL units; 1 April 2016: Nil units)	29.37	-	-
ICICI Prudential Saving Fund- Direct Plan- Growth- 74,027 units (31 March 2017: NIL units; 1 April 2016: Nil units)	200.00	-	-
Total (i)	**229.37**	**6,598.57**	**2,023.45**
# Current portion of non-current investments			
(ii) Investment in bonds (fully paid-up)			
(Measured at amortised cost)			
Quoted			
Edelweiss Finvest Private Limited - 750 units (31 March 2017: NIL units; 1 April 2016: Nil units)	766.92	-	-
Insfracture Leasing and Financial Services Commercial Paper - 100,000 units (31 March 2017: NIL units; 1 April 2016: Nil units)	1,276.94	-	-
India Infoline Wealth Finance Limited-90D-Commercial Paper - 100 units (31 March 2017: NIL units; 1 April 2016: Nil units)	495.90	-	-
Total (ii)	**2,539.76**	**-**	**-**
Total (i+ii)	**2,769.13**	**6,598.57**	**2,023.45**
Aggregate amount of book value and market value of quoted investments	**2,769.13**	**6,598.57**	**2,023.45**

(All amounts in ₹ lacs, unless stated otherwise)

5(a) Loans - non-current

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Measured at amortised cost)			
Security deposits	719.52	617.00	534.05
	719.52	**617.00**	**534.05**

5(b) Other financial assets - Non-current

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Measured at amortised cost)			
Margin money deposits	4.65	2.75	8.41
Interest accrued on fixed deposits	0.39	0.16	1.20
	5.04	**2.91**	**9.61**

The deposits are pledged against :

Bank guarantees issued to sales tax and service tax authorities, and for cash credit facilities with banks.

6. Deferred tax assets (net)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Tax effect of items constituting deferred tax liabilities			
Measurement of financial assets at fair value through profit or loss	-	146.05	124.57
	-	146.05	124.57
Tax effect of items constituting deferred tax assets			
Employee benefits	145.40	225.98	212.23
Provision for doubtful advances	-	16.74	-
Difference between accounting base and tax base of property, plant and equipment	743.49	676.73	646.18
Fair valuation of interest free security deposits	13.68	12.59	10.31
Measurement of financial assets at fair value through profit or loss	17.53	-	-
	920.10	**932.04**	**868.72**
	920.10	**785.99**	**744.15**

(All amounts in ₹ lacs, unless stated otherwise)

Changes in deferred tax assets (net)

Particulars	1 April 2017	Recognised in other comprehensive income	Recognised in Standalone Statement of Profit and Loss	31 March 2018
Liabilities				
Fair valuation of financial instruments through FVTPL	146.05	-	(146.05)	-
Sub-total	146.05	-	(146.05)	-
Assets				
Emoloyee benefits	225.98	(15.23)	(65.35)	145.40
Lifetime expected credit loss of trade receivables	16.74	-	(16.74)	-
Property, plant and equipment, investment property and other intangible assets - depreciation and amortisation	676.73	-	66.76	743.49
Fair valuation of interest free security deposits	12.59	-	1.09	13.68
Fair valuation of financial instruments through FVTPL	-	-	17.53	17.53
Sub-total	932.04	(15.23)	3.29	920.10
Total	785.99	(15.23)	149.34	920.10

Particulars	1 April 2016	Recognised in other comprehensive income	Recognised in Standalone Statement of Profit and Loss	31 March 2017
Liabilities				
Fair valuation of financial instruments through FVTPL	124.57	-	21.48	146.05
Sub-total	124.57	-	21.49	146.05
Assets				
Emoloyee benefits	212.23	(8.60)	22.35	225.98
Lifetime expected credit loss of trade receivables	-	-	16.74	16.74
Property, plant and equipment, investment property and other intangible assets - depreciation and amortisation	646.18	-	30.55	676.73
Fair valuation of interest free security deposits	10.31	-	2.28	12.59
Fair valuation of financial instruments through FVTPL	-	-	-	-
Sub-total	868.72	(8.60)	71.92	932.04
Total	744.15	(8.60)	50.44	785.99

7. Non- current tax asset (Net)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance income tax (net of provisions)	73.89	-	-
	73.89	-	-

Summary of significant accounting policies and other explanatory information

for the year ended 31 March 2018

(All amounts in ₹ lacs, unless stated otherwise)

8. Other non current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid lease rent	275.31	265.77	262.51
Capital advances	15.22	37.85	50.89
Value added tax recoverable (including amount paid under protest	555.31	643.64	697.92
Service tax deposit under protest	37.69	37.69	37.69
Others	64.58	43.38	22.18
	948.11	**1,028.33**	**1,071.19**

9. Inventories

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(valued at lower of cost or net realisable value)			
Packing and accessories	160.87	216.55	216.98
Traded goods [including stock-in-transit : ₹117,723,641 (31 March 2017: ₹69,547 lacs; 1 April 2016: ₹787.77 lacs)	30,550.33	26,701.00	20,225.73
	30,711.20	**26,917.55**	**20,442.71**

Note: Refer note 46 for details of write-downs of inventory. These were recognised as an expense during the year and including in changes in inventories of stock-in-trade in Statement of Profit & Loss.

10. Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents as presented in cash flow statement			
Balances with banks			
- Current	12.51	13.54	1.09
- Cash credit (refer note 18)	992.99	-	-
Cash in hand	368.21	272.76	203.00
	1,373.71	**286.30**	**204.09**

11. Other bank balances

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
In current account (earmarked - refer note 22)*	463.35	-	-
In unpaid dividend account (refer note 21)	0.22	0.16	0.13
Deposits with original maturity for more than 3 months but less than 12 months	-	-	17.87
Margin money deposits	121.50	5.56	205.83
	585.07	**5.72**	**223.83**

The deposits are pledged against :

Bank guarantees issued to sales tax and service tax authorities, to Skill development authority (for Deen Dayal Upadhyaya Grameen Kaushalya Yojana) and for cash credit facilities with banks.

*During the year ended 31 March 2018, the Company was awarded a project under the 'Deen Dayal Upadhyaya - Grameen Kaushalya Yojana' ("the Grant") of the Government for encouraging youth employment. In March 2018, the Company has received the first tranche amounting to ₹463.53 lacs (previous year 31 March 2017: Nil; 1 April 2016: Nil) under the Grant from the Government, subject to terms and conditions stated therein. The Company expects to initiate the activities pre-agreed in the Grant in the subsequent financial year.

(All amounts in ₹ lacs, unless stated otherwise)

12(a) Loans - current

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Measured at amortised cost)			
Loans to employees	7.73	8.85	30.29
	7.73	8.85	30.29

12(b) Other financial assets - current

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Measured at amortised cost)			
Credit card receivables	99.33	63.85	22.23
Other receivables	12.35	21.22	35.94
Interest accrued on fixed/ margin money deposits	0.21	1.16	9.45
	111.89	86.23	67.62

13. Other current assets

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Unsecured considered good unless otherwise stated)			
Prepaid expenses	54.64	67.79	63.31
Prepaid lease rent	52.33	54.43	49.08
Advance to vendors	397.74	179.43	670.89
Balance with government authority - Goods and Service Tax (GST)	800.37	-	-
(Unsecured and considered doubtful)			
Advance to vendor	-	48.37	-
Less: provision against doubtful advances	-	(48.37)	-
	1,305.08	301.65	783.28

14. Equity share capital

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised			
20,000,000 (31 March 2017: 20,000,000; 1 April 2016: 20,000,000) equity shares of ₹10 each	2,000.00	2,000.00	2,000.00
	2,000.00	2,000.00	2,000.00
Issued, subscribed and paid up			
18,097,355 (31 March 2017: 18,068,160; 1 April 2016: 18,066,696) equity shares of ₹10 each	1,809.74	1,806.82	1,806.67
	1,809.74	1,806.82	1,806.67

(All amounts in ₹ lacs, unless stated otherwise)

14. Equity share capital (Contd.)

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
At the beginning of the year	1,80,68,160	1,806.82	1,80,66,696	1,806.67	1,80,15,689	1,801.57
Shares issued on exercise of Employee Stock Option Plan (ESOP)	29,195	2.92	1,464	0.15	51,007	5.10
Outstanding at the end of the year	**1,80,97,355**	**1,809.74**	**1,80,68,160**	**1,806.82**	**1,80,66,696**	**1,806.67**

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) No shares was issued as bonus shares, shares issued for consideration other than cash and shares buy back during the five years immediately preceding the reporting date except 6,606,842 bonus shares issued by capitalisation of free reserves in the year ended 31 March 2013.

(d) Details of equity shareholders holding more than 5% shares in the Company as at 31 March 2018

Name of the Shareholder	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
Conquest Business Services Private Limited*	74,89,798	41.38%	-	-	-	-
Mr Lalit Madangopal Agarwal	-	-	22,34,113	12.36%	22,34,113	12.37%
Ms. Sangeeta Lalji Agarwal	-	-	21,72,175	12.02%	21,72,175	12.02%
Jwalamukhi Investment Holding	17,88,102	9.88%	17,88,102	9.90%	17,88,102	9.90%
Kotak Mahindra (International) Limited	-	-	-	0.00%	17,09,002	9.46%
Ms. Uma Devi Agarwal	-	-	13,55,460	7.50%	13,55,460	7.50%
Lalit M Agarwal (HUF)	12,77,275	7.06%	12,77,275	7.07%	12,77,275	7.07%
Madan Gopal Agarwal (HUF)	-	-	10,41,675	5.77%	10,41,675	5.80%

The above information is furnished as per shareholder register as at the year end.

*Conquest Business Services Private Limited ("Conquest"), a Promoter Company, has acquired 74,89,798 (41.38%) equity shares of the Company from the Promoter/Promoter group of the Company on 27 March 2018. The aforementioned equity shares acquired by Conquest were held with IIFL Wealth Management Limited in the brokers settlement account on 31 March 2018 on behalf of Conquest and consequently settled and credited into its demat account on 3 April 2018.

(e) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer note 40.

(All amounts in ₹ lacs, unless stated otherwise)

15. Other equity

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Securities premium reserve	9,068.06	8,929.49	8,926.69
Amalgamation reserve	154.76	154.76	154.76
Retained earnings	23,550.56	16,023.64	11,638.71
Shares option outstanding account	161.02	89.07	51.11
	32,934.40	**25,196.96**	**20,771.27**

For movements of respective heads, refer to the Statement of Changes in Equity.

Description of nature and purpose of each reserve

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

Amalgamation reserve

Amalgamation reserve pertain to business combinations which materialised prior to transition date.

Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

Share option outstanding account

The reserve is used to recognise the grant date fair value of options issued to employees under employee stock option schemes and is adjusted on exercise/forfeiture of options.

16. Non- current borrowings

	Non-currrent portion			Current maturities		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Term loan						
Vehicle loans from banks (secured)	32.24	59.71	-	(27.29)	(23.29)	(5.41)
	32.24	**59.71**	**-**	**(27.29)**	**(23.29)**	**(5.41)**
Amount disclosed under the head "other financial liabilities" (refer note 21)	-	-	-	(27.29)	(23.29)	(5.41)
	-	-	-	(27.29)	(23.29)	(5.41)
	32.24	**59.71**	**-**	**-**	**-**	**-**

(a) Details of repayment, rate of interest and security for vehicle loans:

As at 31 March 2018	Installments	Date of loan	Amount outstanding (₹)	No. of installments	Installment amount (₹)	Rate of interest	Hypothecation of
Vehicle loan - HDFC Bank	Monthly	30 March 2017	59.53	36.00	2.60	8%	Vehicle

As at 31 March 2017	Installments	Date of loan	Amount outstanding (₹)	No. of installments	Installment amount (₹)	Rate of interest	Hypothecation of
Vehicle loan - HDFC Bank	Monthly	30 March 2017	83	36.00	2.60	8%	Vehicle

(All amounts in ₹ lacs, unless stated otherwise)

16(a) Details of repayment, rate of interest and security for vehicle loans: (Contd.)

As at 1 April 2016	Installments	Date of loan	Amount outstanding (₹)	No. of installments	Installment amount (₹)	Rate of interest	Hypothecation of
Vehicle loan - HDFC Bank	Monthly	20 Nov 2013	2.70	36.00	0.35	11%	Vehicle
Vehicle loan - HDFC Bank	Monthly	20 Nov 2013	2.71	36.00	0.35	11%	Vehicle

17. Other financial liabilities - Non-current

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Lease related payables	416.66	368.39	330.70
	416.66	**368.39**	**330.70**

18. Non- current provisions

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for gratuity obligation (refer note 39)	356.85	276.55	204.78
Provision for compensated absences (refer note 39)	33.78	15.57	8.06
	390.63	**292.12**	**212.84**

19. Current borrowings

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Measured at amortised cost)			
Cash credits from banks (secured)	-	3,487.04	2,691.13
	-	3,487.04	2,691.13
Loans guaranteed by directors or relative of directors			
Rupee loan from bank	-	3,046.11	2,236.08

A (i) Fund based credit facility of ₹6,200 Lacs (31 March 2017: ₹6,200 Lacs; 1 April 2016: ₹4,200 Lacs) from State Bank of India comprising vendor financing scheme (VFS) amounting to ₹3,000 Lacs (31 March 2017: ₹3,000 Lacs; 1 April 2016: ₹3,700 Lacs), cash credit (CC) facility of ₹2400 Lacs (31 March 2017: ₹2,400 Lacs; 1 April 2016: ₹500 Lacs) and Standby Letter of Credit (SLC) facility of ₹800 Lacs (31 March 2017: ₹800 Lacs; 1 April 2016: Nil).

These facilities carry an interest for Vendor Financing Scheme (VFS) at 3 months MCLR plus 10 basis points (0.10%) up to 90 days, 6 months MCLR plus 20 basis points (0.20%) for period above 90 days to 180 days and interest rate as applicable to CC account for outstanding more than 180 days and carries an interest rate at 1 year MCLR plus 125 basis point (1.25%) for Cash Credit as on 31 March 2018 which is repayable on demand and for SLC 1% above the applicable CC rate of interest.

The outstanding book balance as on 31 March 2018 for CC account is NIL (31 March 2017: ₹97.38 Lacs; 1 April 2016: ₹246.17 Lacs), for VFS is NIL (31 March 2017: ₹2,948.73 Lacs; 1 April 2016: ₹1,989.91 Lacs) and for SLC is ₹ Nil (31 March 2017: ₹ Nil; 1 April 2016: ₹ Nil).

(ii) During the year, the Company has obtained cash credit facility from Axis Bank Limited comprising ₹200 Lacs (31 March 2017: Nil; 1 April 2016: Nil), this facility carries interest rate at 3 months MCLR plus 110 basis points, 1 month MCLR plus 40 basis points (0.40%) for period up to 90 days, 1 month MCLR plus 60 basis points (0.60%) for period above 90 days to 180 days. The outstanding book balance as on 31 March 2018 for CC account is NIL (31 March 2017: Nil; 1 April 2016: Nil).

(iii) Further during the year, the Company has obtain fund based facility of ₹900 Lacs (31 March 2017: Nil; 1 April 2016: Nil) from ICICI Limited comprising Working Capital Demand Loan (WCDL) amounting to ₹800 Lacs (31 March 2017:Nil and 1 April 2016: Nil) and CC cum WCDL cum FCNR facility of ₹100 Lacs (31 March 2017:Nil and 1 April 2016: Nil), this facility carries an interest for CC account at 6 month MCLR plus 95 basis point (0.95%), 3 months MCLR plus 20 basis points (0.20%) up to 3 months, 6 months MCLR plus 20 basis points (0.20%) for period above 3 months to 6 months and 1 year MCLR plus 20 basis points (0.20%) for period greater than 6 months.

The outstanding book balance as on 31 March 2018 for CC account is a debit balance disclosed in note 10 (31 March 2017: Nil; 1 April 2016: Nil), for CC cum WCDL cum FCNR account is Nil (31 March 2017: Nil; 1 April 2016: Nil).

These facilities are secured by way of :

a. Primary – Exclusive first charge on stocks of raw material, stocks in process, finished goods, including goods in transit, all present and future book debts / receivables and other current assets of the Company.

b. Collateral –

(a) Exclusive charge on all the present and future fixed assets of the Company excluding vehicle and assets financed by other banks under financial lease and term loan.

(b) Equitable mortgage of residential property situated at Apartment No. BPB081, 8th floor, Wing No. PBO- 33 & 34, Belvedere Park, Phase II & III, DLF City, Gurgaon measuring super area 1,714 sq. feet in the name of Mr. Lalit Agarwal, Mr. Madan Gopal Agarwal and Ms. Sangeeta Agarwal.

(c) Lien on Mutual funds (in the name of the Company) of ₹424.15 lacs and market value: ₹556.56 lacs as of the date on which the facility was obtained.

Further, personal guarantees have been given by Mr. Lalit Agarwal (Managing director), Mr. Madan Gopal Agarwal (Director) and Mr. Sangeeta Agarwal (Wife of Mr. Lalit Agarwal).

B The Company has surrendered Overdraft facility/Short term loan sanctioned by HDFC Bank Limited of ₹589.75 lacs on 08 July 2016. The Company has received "No Dues Certificate" from HDFC Bank Limited on 11 July 2016. The outstanding balance as on 31 March 2018 is of ₹Nil (31 March 2017: ₹Nil; 1 April 2016: ₹104.06 lacs).

C Fund based cash credit facility of ₹875.88 lacs (31 March 2017: ₹875.88 lacs; 1 April 2016: ₹1,284.92 lacs) from Deutsche Bank AG carries an interest at the rate MIBOR plus 1.5% or Deutsche Bank base rate (9.20%) whichever is higher as on 31 March 2018 and is repayable on demand. The outstanding book balance as on 31 March 2018 is of Nil (31 March 2017: ₹440.93 lacs; 1 April 2016: ₹350.99 lacs)

20. Trade payables

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Measured at amortised cost)			
Trade payables	16,678.20	15,990.29	9,564.66
	16,678.20	**15,990.29**	**9,564.66**

(All amounts in ₹ lacs, unless stated otherwise)

21. Other financial liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Measured at amortised cost)			
Current maturities of long term debts (refer note 15)	27.29	23.29	5.41
Interest accrued but not due	0.36	-	-
Creditors for fixed assets	811.71	428.35	488.97
Employee related payables	504.87	314.43	408.16
Unclaimed dividend*	0.22	0.16	0.13
Lease related payables	78.94	68.39	59.76
Other liabilities	105.95	21.27	43.06
	1,529.34	855.89	1,005.49

* Not due for deposit with Investor Education and Protection Fund

22. Other current liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Statutory liabilities	381.94	492.67	387.11
Deffered revenue	87.29	8.00	-
Deffered government grant in respect of skill development project*	463.53	-	-
	932.76	500.67	387.11

*Refer note 11

23. Current provisions

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for gratuity	28.16	14.82	14.67
Provision for compensated absences	1.36	1.74	1.01
	29.52	16.56	15.68

24. Current tax liabilities (net)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for income tax (net of prepaid taxes)	236.90	496.15	550.04
	236.90	496.15	550.04

(All amounts in ₹ lacs, unless stated otherwise)

25. Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products	1,22,097.32	1,00,062.83
Other operating revenue	139.87	109.72
Revenue from operations (gross)	**1,22,237.19**	**1,00,172.55**

26. Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income on items at amortised cost		
Bank deposits	1.25	13.61
Inter-corporate deposit	60.66	-
Bonds	38.82	-
Others	47.84	42.30
Dividend income	47.14	56.65
Liabilities written back	26.35	129.57
Profit on sale of investments (net)	110.39	95.54
Profit on sale of fixed assets	-	0.01
Income on investment designated at FVTPL	50.64	62.05
Miscellaneous income	31.02	14.36
	414.11	**414.09**

27. Purchase of stock in trade

	For the year ended 31 March 2018	For the year ended 31 March 2017
Purchase of traded goods	86,820.49	76,751.71
	86,820.49	**76,751.71**

28. Changes in inventories of stock-in-trade

	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventories at the end of the year		
Traded goods (including stock in transit)	30,550.33	26,701.00
Packing material and accessories	160.87	216.55
	30,711.20	**26,917.55**
Inventories at the beginning of the year		
Traded goods (including stock in transit)	26,701.00	20,225.73
Packing material and accessories	216.55	216.98
	26,917.55	**20,442.71**
	(3,793.65)	**(6,474.84)**

(All amounts in ₹ lacs, unless stated otherwise)

29. Employee benefit expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	8,181.40	6,548.05
Employee compensation expense under ESOP	118.67	38.71
Contribution to provident and other funds	798.49	663.55
Staff welfare	740.49	577.64
	9,839.05	**7,827.95**

30. Other expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Rent	5,261.51	4,515.18
Power and fuel	3,370.09	2,671.26
Advertisement and sales promotion	2,619.51	2,256.30
Packing materials and expenses	691.64	672.01
Repairs and maintenance		
-Building	205.91	208.80
-Others	783.56	663.08
Commission	147.86	206.86
Security expenses	1,087.78	935.40
Communication	154.35	127.24
Travelling and conveyance	299.98	234.67
Credit card and cash collection charges	390.54	324.42
Rates and taxes	70.64	42.58
Vehicle running expenses	57.84	38.75
Fixed assets written off	41.37	26.37
Legal and professional expenses	368.83	266.11
Printing and stationery	53.72	52.52
Auditors remuneration		
- as auditor	28.08	31.05
- for reimbursement of expense	0.97	2.17
over and run expenses	3.00	-
Insurance	52.34	43.14
Loss on sale of fixed assets	4.19	-
Balances written off	54.95	67.63
Corporate social responsibility expenditure (refer note 47)	117.55	53.05
Donations others	4.70	6.78
Commission charges for Independent directors	77.79	34.66
Directors sitting fees	6.23	6.89
Miscellaneous expenses	137.80	104.93
	16,092.73	**13,591.85**

(All amounts in ₹ lacs, unless stated otherwise)

31. Finance costs

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense	134.04	325.05
Other borrowing costs	18.85	27.37
	152.89	**352.42**

32. Depreciation and amortization expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of tangible assets	2,223.76	1,795.00
Amortisation of intangible assets	69.36	60.32
	2,293.12	**1,855.32**

33 (a) Tax expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax		
Current tax on profits for the year	3,733.11	2,369.68
Adjustments for current tax of prior periods	(107.51)	(27.44)
Total current tax expense (a)	**3,625.60**	**2,342.24**
Deferred tax		
Decrease/(increase) in deferred tax assets	11.94	(63.32)
(Decrease)/increase in deferred tax liabilities	(146.05)	21.48
Total deferred tax expense/(benefit) (b)	**(134.11)**	**(41.84)**
Total income tax expense (a+b)	**3,491.49**	**2,300.40**
*Comprises of :-		
Total tax expense as per SOPL	3,476.26	2,291.80
Tax expense on Other Comprehensive Income	15.23	8.60

(b) Income tax expense for the year reconciled to the accounting profit

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	11,246.67	6,682.23
Income tax expense calculated at 34.608%	3,892.25	2,312.59
Tax effect of amounts that are not deductible in calculating taxable expense:		
Income not considered in computation of tax expense	(16.32)	(19.60)
Permanent diffrence	64.61	59.00
Deduction claimed on employee benefits	(144.42)	-
Items taxable at differenct rate	(163.32)	-
Others	(33.79)	(24.15)
Total	**3,599.01**	**2,327.84**
Adjustment in respect of current income tax of previous year	(107.52)	(27.44)
Income tax expense recognised in statement of profit and loss	**3,491.49**	**2,300.40**

34. Earnings per share

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit after tax	7,770.41	4,390.43
Nominal value per share (₹)	10.00	10.00
Weighted average number of equity shares for basic earnings per share	**180.95**	**180.68**
Add: weighted average number of potential equity shares		
- Issuance of shares under ESOP	0.64	0.58
Weighted average number of equity shares for diluted earnings per share	**181.59**	**181.26**
Earnings per share (in ₹)		
Basic earnings per share	42.94	24.30
Diluted earnings per share	42.79	24.22

35. Contingent liabilities and Commitments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
i) Contingent liabilities			
(A) Tax demands in excess of provisions:			
Income tax (net of provision ₹6.13 lacs (previous year: 31 March 2017: ₹6.13 lacs and 1 April 2016: Nil)	-	-	14.57
Value added tax (net of provision ₹8.66 lacs (previous year: 31 March 2017: ₹8.66 lacs and 1 April 2016: Nil)	452.18	453.29	90.63
Service tax (refer note 35 (a) below)	30.33	30.33	30.33
(B) Demand under the Minimum Wages Act, 1948	23.97	23.97	5.98
(C) Bonus as per the Payment of Bonus (Amendment) Act, 2015 (refer note 35 (b) below)	107.61	107.61	107.61
	614.09	**615.20**	**249.12**
ii) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	13.90	164.03	168.04
	13.90	164.03	168.04

Further, the Company has certain litigations involving suppliers, customers, motor vehicle accident, sale tax litigations and certain inspections under the Prevention of Food Adulteration Act, 1954. Based on detailed assessments and evaluations, the management believes that no material liability will devolve on the Company in respect of these litigations.

35 (a) Pursuant to levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from 1 June 2007 by the Finance Act, 2010, the Retailer Association of India (the Company being a member of such Association) has challenged the said levy and, inter-alia, its retrospective application. The Hon'ble Supreme Court has issued an interim order dated 14 October 2011, directing the members of the Association to deposit 50% of the arrears of service tax due upto 30 September 2011 and the balance, if any, at the time of final disposal of the appeal. The amount of service tax on rent in respect of rented stores from 1 June 2007 till 30 September 2011 amounted to ₹108.26 lacs of which ₹77.93 lacs has been provided for in the Statement of Profit and Loss till 31 March 2017 and the balance ₹30.33 lacs has been disclosed as contingent liability.

As per directions of the Hon'ble Supreme Court, the Company, has deposited ₹37.69 lacs under protest with the concerned authorities and has disclosed this balance as "Service tax deposited under protest" under other non-current assets.

(All amounts in ₹ lacs, unless stated otherwise)

35 (b) The Payment of Bonus (Amendment) Act, 2015 dated 31 December 2015 (which was made effective from 1 April 2014) revised the thresholds for coverage of employees eligible for bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognisance of the stay granted by Hon'ble High Courts of Kerala (Ernakulam), Karnataka (Bengaluru), Uttar Pradesh (Allahabad) and Madhya Pradesh (Indore) and pending disposal of such matter, the Company, in accordance with the Payment of Bonus (Amendment) Act, 2015, has only recognised an additional expense of ₹213.81 lacs for the period 1 April 2015 to 31 March 2016 during previous year ended 31 March 2016 and has not recognised the differential amount of bonus of ₹107.61 lacs for the period 1 April 2014 to 31 March 2015.

36. Related Party Disclosures under Ind AS-24

(a) List of Related Parties and nature of relationship where control exists

Name of Related Party	Nature of Relationship
Conquest Business Services Private Limited	Entity having significant influence
Key Managerial Personnel	
Mr. Lalit Agarwal	Managing Director
Mr. Madan Gopal Agarwal	Whole-time Director
Mr. Aakash Moondhra	Independent Directors
Mr. Murli Ramachandran	Independent Directors
Mrs. Sonal Mattoo	Independent Directors
Relatives of Key Managerial Personnel*	
Mrs. Sangeeta Agarwal	Wife of Mr. Lalit Agarwal
Mrs. Uma Devi Agarwal	Wife of Mr. Madan Gopal Agarwal and Mother of Mr. Lalit Agarwal
Mr. Snehal Shah	Son-in-law of Mr. Madan Gopal Agarwal
Mrs. Sunita Shah	Daughter of Mr. Madan Gopal Agarwal and Sister of Mr. Lalit Agarwal
Mr. Hemant Agarwal	Son of Mr. Madan Gopal Agarwal and Brother of Mr. Lalit Agarwal
Mrs. Smiti Agarwal	Daughter -in-law of Mr. Madan Gopal Agarwal
Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel*	
Lalit M Agarwal (HUF)	HUF in which Mr. Lalit Agarwal is Karta
Madan Gopal Agarwal (HUF)	HUF in which Mr. Madan Gopal Agarwal is Karta
Hemant Agarwal (HUF)	HUF in which Mr. Hemant Agarwal is Karta
Wesbok Lifestyle Private Limited	Company owned by Mr. Hemant Agarwal

*Where transactions have occurred.

(All amounts in ₹ lacs, unless stated otherwise)

36(b) The following transactions were carried out with related parties in the ordinary course of business:

Description	Key managerial personnel		Relatives of key managerial personnel		Entities owned by the Key Managerial Personnel and Relatives of Key Managerial Personnel	
	Year ended 31 Mar. 2018	Year ended 31 Mar. 2017	Year ended 31 Mar. 2018	Year ended 31 Mar. 2017	Year ended 31 Mar. 2018	Year ended 31 Mar. 2017
Managerial remuneration*						
Mr. Lalit Agarwal	235.02	162.86	-	-	-	-
Mr. Madan Gopal Agarwal	66.43	43.17	-	-	-	-
Post employment benefits - gratuity						
Mr. Lalit Agarwal	8.79	(0.08)	-	-	-	-
Mr. Madan Gopal Agarwal	18.55	-	-	-	-	-
Independent directors' commission						
Mr. Aakash Moondhra	29.54	13.18	-	-	-	-
Mr. Murli Ramachandran	24.32	10.85	-	-	-	-
Mrs. Sonal Mattoo	23.84	10.64	-	-	-	-
Salaries, wages and bonus						
Mr. Snehal Shah	-	-	47.95	39.47	-	-
Director sitting fees						
Mr. Aakash Moondhra	2.00	2.00	-	-	-	-
Mr. Murli Ramachandran	2.00	2.00	-	-	-	-
Mrs. Sonal Mattoo	2.00	2.00	-	-	-	-
ESOP issued						
Mr. Snehal Shah	-	-	20.82	-	-	-
Dividend paid						
Mr. Lalit Agarwal	27.93	2.23	-	-	-	-
Mr. Hemant Agarwal (non-executive director till 17 March 2016)	-	-	2.56	0.58	-	-
Mr. Madan Gopal Agarwal	8.58	0.69	-	-	-	-
Lalit Agarwal (HUF)	-	-	-	-	12.77	1.28
Hemant Agarwal (HUF)	-	-	-	-	5.30	0.42
Mr. Madan Gopal Agarwal (HUF)	-	-	-	-	13.02	1.04
Mrs. Sangeeta Agarwal	-	-	27.15	2.17	-	-
Mrs. Smiti Agarwal	-	-	5.16	-	-	-
Mrs. Uma Devi Agarwal	-	-	16.94	1.36	-	-
Conquest Busincess Services Pvt. Ltd.	-	-	-	-	-	-
Purchase of traded goods						
Wesbok Lifestyle Private Limited	-	-	-	-	276.60	446.82

(All amounts in ₹ lacs, unless stated otherwise)

*Managerial remuneration comprises of the following:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Remuneration (excluding post employment benefits)	113.85	91.08
Commission	153.03	82.24
Perquisites	34.57	32.72
Total	**301.45**	**206.04**

36(c) Balance at the end of year:

	Key managerial personnel			Relatives of Key managerial personnel		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Remuneration/salary payable						
Mr. Lalit Agarwal	119.74	29.83	51.42	-	-	-
Mr. Madan Gopal Agarwal	39.72	15.50	17.09	-	-	-
Independent directors' commission payable						
Mr. Aakash Moondhra	29.54	13.18	8.47	-	-	-
Mr. Murli Ramachandran	24.32	10.85	6.76	-	-	-
Mrs. Sonal Mattoo	23.84	10.64	6.69	-	-	-

	Key managerial personnel			Relatives of Key managerial personnel			Entities owned by key managerial personnel		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade payable									
Wesbok Lifestyle Private Limited	-	-	-	-	-	-	-	44.36	57.99

(All amounts in ₹ lacs, unless stated otherwise)

37. Fair value measurements

Financial instruments by category

	31 March 2018			31 March 2017			1 April 2016		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Investments									
- Bonds	-	-	2,539.76	-	-	-	-	-	-
- Mutual Funds	863.55	-	-	7,183.48	-	-	3,596.73	-	-
Loans	-	-	727.25	-	-	625.85	-	-	564.34
Cash and cash equivalents	-	-	1,373.71	-	-	286.30	-	-	204.09
Margin money deposits	-	-	589.72	-	-	8.47	-	-	232.24
Other receivable	-	-	112.28	-	-	86.39	-	-	68.82
Total financial assets	**863.55**	**-**	**5,342.72**	**7,183.48**	**-**	**1,007.01**	**3,596.73**	**-**	**1,069.49**
Financial liabilities									
Borrowings	-	-	59.89	-	-	3,570.04	-	-	2,696.54
Trade payables	-	-	16,678.20	-	-	15,990.29	-	-	9,564.66
Employee payable			504.87			314.43			408.16
Capital creditors	-	-	811.71	-	-	428.35	-	-	488.97
Other payables	-	-	601.77	-	-	458.21	-	-	433.65
Total financial liabilities	**-**	**-**	**18,656.44**	**-**	**-**	**20,761.32**	**-**	**-**	**13,591.98**

(i) Fair value hierarchy

Financial assets and liabilities measured at fair value-recurring fair value measurements at 31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				
Mutual funds -growth plan	863.55	-	-	863.55
Mutual funds -dividend plan	-	-	-	-
Financial assets and liabilities measured at fair value-recurring fair value measurements at 31 March 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments at FVTPL				
Mutual funds-growth plan	2,300.64	-	-	2,300.64
Mutual funds-dividend plan	4,882.84	-	-	4,882.84
Financial assets and liabilities measured at fair value-recurring fair value measurements at April 1, 2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments at FVTPL				
Mutual funds -growth plan	2,163.03	-	-	2,163.03
Mutual funds -dividend plan	1,433.70	-	-	1,433.70

(All amounts in ₹ lacs, unless stated otherwise)

Level 1: Level 1 heirarchy includes financial instruments measured using quoted prices. This includes listed traded mutual funds that have quoted price. The mutual funds are reported using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(ii) Specific valuation techniques used to value financial instruments include the use of qouted market prices and NAV of the instrument.

(iii) Fair value of financial assets and liabilities measured at amortised cost

	31 March 2018		31 March 2017		1 April 2016	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Assets						
Loans						
Security deposits	719.52	719.52	617.00	617.00	534.05	534.05

The carrying amount of trade receivables, trade payables, capital creditors, borrowing, employee payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value heirarchy due to the inclusion of unobservable inputs including counterpaty credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(All amounts in ₹ lacs, unless stated otherwise)

38. Financial Instruments

A. Capital Risk Management

The Company's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The Company determines the amount of capital required on the basis of an annual budget and a five year plan, including, for working capital, capital investment in stores and technology. The Company's funding requirements are met through internal accruals and a combination of both long-term (Vehicle loans only) and short-term borrowings.

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarises the capital of the Company:

Capital	As at 31 March 2018	As at 31 March 2017
Long term borrowings (including current maturities)	59.53	83.00
Short term borrowings	-	3,487.04
Less: Cash and cash equivalents	(1,373.71)	(286.30)
Total debt	(1,314.18)	3,283.74
Equity share capital	1,809.74	1,806.82
Other equity	32,934.40	25,196.96
Total equity	34,744.14	27,003.78
Gearing ratio	-3.78%	12.16%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

B. Financial Risk Management

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Company's operational and financial performance.

B.1 Market risk :

Market Risk is the risk that changes in market place could affect the future cash flows to the Company. The market risk for the Company arises primarily from interest rate risk and product price risk.

i) Interest risk: The Company is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Company uses available working capital limits for availing short term cash credits. The Company mitigates the same through efficient use of working capital limits and regular monitoring of Interest Coverage ratio. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

ii) Product price risk: In a potentially inflationary economy, the Company expects periodical price increases across its retail product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/retail sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to retail customers to sustain volumes. The Company negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Company protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

(All amounts in ₹ lacs, unless stated otherwise)

Liquidity risk :

Liquidity risk is a risk that the Company may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Company's financial liabilities based on contractual undiscounted cash flows :-

	Less than 1 year	Between 1 and 5 years	More than 5 years	Carrying amounts
As at 31 March 2017				
Borrowings (non current and current)	3,510.33	59.71	-	3,570.04
Interest payable	-	-	-	-
Trade payables and other accruals	16,822.89	186.03	182.36	17,191.28
As at 31 March 2018				
Borrowings (non current and current)	27.29	32.24	-	59.53
Interest payable	0.36	-	-	0.36
Trade payables and other accruals	18,179.89	216.10	200.56	18,596.55

The Company has access to following financing facilities which were undrawn as at the end of reporting periods mentioned :-

Undrawn financing facility	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured working capital facilities			
Amount used	-	3,487.04	2,691.13
Amount unused	9,075.88	4,178.59	2,793.79
Total	9,075.88	7,665.63	5,484.92
Unsecured working capital facilities			
Amount used	-	-	-
Amount unused	-	-	-
Total	-	-	-

B.2 Credit risk

i) Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are also set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company considers reasonable and supportive forward-looking information.

(All amounts in ₹ lacs, unless stated otherwise)

The Company provides for 12 month expected credit losses for the following financial assets -

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
As ar 31 March 2018			
Investments	3,403.31	-	3,403.31
Loans	727.25	-	727.25
Cash and cash equivalents	1,373.71	-	1,373.71
Margin money deposits	589.72	-	589.72
Other receivable	112.28	-	112.28
Total financial assets	**6,206.27**	**-**	**6,206.27**

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
As ar 31 March 2017			
Investments	7,183.48	-	7,183.48
Loans	625.85	-	625.85
Cash and cash equivalents	286.30	-	286.30
Margin money deposits	8.47	-	8.47
Other receivable	86.39	-	86.39
Total financial assets	**8,190.49**	**-**	**8,190.49**

ii) Concentration of financial assets

The Company's principal business activities are of retailing in consumer care and food products. All financial assets pertain to the retail business.

39 . Employee Benefits

Employee benefit obligations

	31 March 2018			31 March 2017			1 April 2016		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Contribution to provident fund	53.95	-	53.95	44.10	-	44.10	35.82	-	35.82
Gratuity	28.16	356.85	385.01	14.82	276.55	291.37	14.67	204.78	219.45
Leave obligations	1.36	33.78	35.14	1.74	15.57	17.31	1.01	8.06	9.07
Total employee benefit obligations	**83.47**	**390.63**	**474.10**	**60.66**	**292.12**	**352.78**	**51.50**	**212.84**	**264.34**

(All amounts in ₹ lacs, unless stated otherwise)

(a) Balance sheet amounts- Gratuity

The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation
Balance as at 1 April 2016	**219.45**
Current service cost	92.38
Interest expense/(income)	17.56
Total amount recognised in profit or loss	**109.93**
Remeasurements	
(Gain)/loss from change in demographic assumptions	(8.15)
(Gain)/loss from change in financial assumptions	2.20
Experience (gains) / losses	(21.82)
Total amount recognised in other comprehensive income	**(27.76)**
Benefit payments	(10.25)
Balance as at 31 March 2017	**291.37**
Balance as at 1 April 2017	**291.37**
Current service cost	113.38
Past service cost	19.19
Interest expense/(income)	22.40
Total amount recognised in profit or loss	**154.97**
Remeasurements	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(6.74)
Experience (gains)/losses	(37.27)
Total amount recognised in other comprehensive income	**(44.01)**
Benefit payments	(17.29)
Balance as at 31 March 2018	**385.04**

The net liability disclosed above relates to unfunded plans are as follows:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of funded obligations	385.01	291.37	219.45
Unfunded Provision	**385.01**	**291.37**	**219.45**

(b) Assumptions:

1. Economic assumptions

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.80%	7.69%	8.00%
Salary growth rate	4.75%	4.75%	5.00%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The salary escalation rate is based on estimates of salary increases, which takes into account inflation, promotion and other relevant factors.

(All amounts in ₹ lacs, unless stated otherwise)

2. Demographic assumptions:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Retirement age	60	60	58
Withdrawal rate, based on age			
Upto 30 years	3	3	3
From 31 to 44 years	2	2	2
Above 44 years	1	1	1
Mortality rate	100% of IALM	100% of IALM	100% of IALM

(c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Discount rate	- / +1%	-	331.10	-	453.31	-
Salary growth rate	- / +1%	-	452.82	-	331.02	-
Attrition Rate	- / + 50%	-	404.73	-	360.73	-
Mortality Rate	- / + 10%	-	385.75	-	384.28	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(d) Risk exposure

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Weighted average duration (based on discounted cashflows)	17.00 years	22.86 years	21.53 years

(e) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk: The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity risk: This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary escalation risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Detailed information to the extent provided by the actuary in the actuarial certificate has been included in the disclosure given above.

(All amounts in ₹ lacs, unless stated otherwise)

40. Share Based Payments

Employee Stock Options (ESOP)

The Company has implemented an Employee Stock Option Scheme, which was approved by the Board of Directors and the shareholders vide resolution dated 02 July 2012 and 10 July 2012 respectively ('the V-Mart ESOP Scheme 2012' or the "Scheme"), consequent to which 300,000 equity shares with a nominal value of ₹10 each will be granted upon exercise of as stock options (ESOPs) to eligible employees. The exercise price of these options will be determined by the Remuneration Committee and the options will vest over a period of 12 months to 36 months of continued employment from the grant date.

(a) Below are the details in respect of ESOPs granted till 31 March 2018:

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI
Grant date	20-Jul-12	05-Jan-15	28-Dec-15	30-Jan-17	12-Jul-17	09-Nov-17
ESOPs granted	1,53,252	22,350	13,645	76,225	6,395	9300
Exercise price (in ₹)	₹150.00	₹450.00	₹573.00	₹470.00	₹900.00	₹1260.00
Vesting option (in Nos.):						
-on the completion of 12 months	45,975	6,705	4,093	22,867	1,918	2,790
-on the completion of 24 months	45,975	6,705	4,093	22,867	1,919	2,790
-on the completion of 36 months	61,302	8,940	5,459	30,491	2,558	3,720
Market value of equity shares on the date of grant (in ₹)	₹150.00	₹539.30	₹586.30	₹522.35	₹ 1243.90	₹1412.60

The vesting of options is subject to the continued employment of the grantee over the vesting period. The options granted can be exercised after vesting at any time before the expiry of eight years from the grant date.

(b) The relevant details in respect of V-Mart ESOP Scheme 2012 are summarised below:

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of options	Weighted average price	Number of options	Weighted average price	Number of options	Weighted average price
a. Outstanding at the beginning of the year	1,21,572	442.15	51,341	393.02	90,477	224.11
b. Granted during the year	15,695	1,113.32	76,225	470.00	13,645	573.00
c. Exercised during the year	29,195	324.60	1,464	150.00	51,007	150.00
d. Forfeited during the year	10,853	470.00	4,530	450.00	1,774	150.00
e. Expired during the year	-	-	-	-		
f. Outstanding at the end of the year	97,219	635.08	1,21,572	442.15	51,341	393.02
g. Exercisable at the end of the year	28,557	479.53	29,196	439.89	22,051	241.22
h. No. of equity shares of ₹10 each fully paid up to be issued on exercise of option	97,219	635.08	1,21,572	442.15	51,341	393.02
i. Weighted average remaining contractual life (in years)	-	6.68	-	6.89	-	6.29

(All amounts in ₹ lacs, unless stated otherwise)

(c) The fair value of the options was estimated on the date of grant using the Black-Scholes Model with the following significantassumptions:-

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI
Risk free interest rates (in %)	8.42	8.32	8.16	7.93	7.80	7.64
Expected life (in years)	4 years	4 years	4 years	4 years	4 years	4 years
Volatility (in %)	25%	41%	38.74%	30.13%	42.48%	50.76%
Dividend yield (in %)	0.27%	0.20%	0.20%	0.24%	0.18%	0.10%
Weighted average exercise price (₹)	150.00	450.00	573.00	470.00	900.00	1,260.00
Weighted average fair value of stock option (₹)	50.89	263.00	248.00	211.00	673.00	727.00

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not also necessary be the actual outcome.

41. Lease Commitments

A. Non-cancellable operating leases

The premises are taken on lease for a lease term ranging from nine years to fifteen years including the lock-in period ranging from one to three years. These leases are further renewable on the expiry of total lease term subject to mutual consent of both the parties. There are no restrictions imposed on the Company under the lease arrangement. There are no subleases.

The minimum lease payments over the lease term are as under:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Payable within 1 year	3,129.71	2,948.51	2,850.09
Payable between 1-5 years	11,078.48	10,758.56	10,917.64
Payable after 5 years	4,925.94	6,361.00	6,914.29
	19,134.13	20,068.07	20,682.02

42. Offsetting financial assets and financial liabilities

	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
31 March 2018						
Financial liabilities						
Borrowings	59.53	-	59.53	-	189.77	-
31 March 2017						
Financial liabilities						
Borrowings	83.00	-	83.00	-	208.64	-
April 1, 2016						
Financial liabilities						
Borrowings	5.41	-	5.41	-	109.80	-

Collateral against borrowings

The company has pledged financial instruments as collateral against a number of its borrowings. Refer to Note 44 for further information on financial and non-financial collateral pledged as security against borrowings.

(All amounts in ₹ lacs, unless stated otherwise)

43. Operating Segments

In the opinion of the management, there is only one reporting segment "Retail Sales" as envisaged by Ind As 108 "Operating Segments". The Company is operating only in India and there is no other significant geographical segment.

44. Assets pledged as security

The carrying amounts of asset pledged as security for current and non-current borrowings are:

	31 March 2018	31 March 2017	1 April 2016
Current			
Financial assets			
i) Investments	29.37	1,715.73	2,163.03
ii) Cash & cash equivalent	1,373.71	286.30	204.09
iii) Bank balances	585.07	5.72	223.83
iv) Other financial assets	-	-	-
Non-financial assets			
i) Inventories	30,711.20	26,917.55	20,442.71
Total current assets pledged as security	32,699.35	28,925.30	23,033.66
Non-current			
Financial assets			
i) Investments	634.18	-	1,573.28
i) Other financial assets	5.04	2.91	9.61
Non-financial assets			
i) Vehicles	189.78	208.99	109.80
Total non-current assets pledged as security	829	211.90	1,692.69
Total assets pledged as security	33,528.35	29,137.20	24,726.35

(All amounts in ₹ lacs, unless stated otherwise)

45. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

Particulars	31 March 2018	31 March 2017	1 April 2016
i) Principal amount due to suppliers under MSMED Act	80.49	162.33	26.36
ii) Interest accrued and due to suppliers under MSMED Act on the above amount	2.17	-	-
iii) Payment made to suppliers (other than interest) beyond appointed day during the year	-	-	-
iv) Interest paid to suppliers under MSMED Act	-	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-
v) Interest due and payable to suppliers under MSMED Act towards payments already made	-	-	-
vi) Interest accrued and remaining unpaid at the end of the accounting year	-	-	-
vii) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-	-
	-	162.33	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

46. During the year, few cases of misappropriation of inventory involving employees at certain stores was identified by the management, the impact of which is included under the consumption of stock-in -trade. Such stock write off of ₹1,597.38 lacs (previous year ₹1,449.46 lacs) includes write offs on account of damaged inventory, shrinkages in transit and misappropriation of inventory by employees, among others. Whilst it is not possible to quantify the impact owing to such misappropriation, management believes that the impact thereof is not material to the financial statements. Further, the management has taken steps to reduce such instance which have yield positive results.

Further, during the current year, a robbery incident occured at Sarsaram, i.e., one of stores of the Company. During the robbery, gunman looted cash and clothes from the said store worth ₹13.80 lacs. The Company has filed an FIR with the police for such robbery and basis the initial police investigation, the suspicion of planning the entire robbery primarily is on two of the employees of the Company. Based on such preliminary investigation, the management has suspended both the employees.

(All amounts in ₹ lacs, unless stated otherwise)

47. Corporate social responsibility

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Company was to spend a sum of ₹107.83 lacs towards CSR activities during the year ended 31 March 2018. The detail of amount spent is as follows:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Amount required to be spent as per section 135 of the Act	107.83	88.92
Amount spent during the year on		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	117.55	53.05

48. Disclosure required under Section 186 (4) of the Companies Act 2013

Particulars of interest bearing inter-company deposits given:

Name of the party	Opening Balance	Loan Given	Loan Repayment	Outstanding balance	Purpose
KARVY Data Management Services Limited	-	2,000.00	2,000.00	-	General business purpose

49. Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, pursuant to Ministry of Corporate Affairs (MCA) notification GSR 308 (E) dated 30 March 2017

Particulars	Opening Balance	Loan Given	Loan Repayment
Closing cash in hand as on 8 November 2016	318.91	35.23	354.14
Add: permitted receipts	-	9,689.88	9,689.88
Less: permitted payments	-	(2,277.71)	(2,277.71)
Less: amount deposited in banks	(318.91)	(7,181.67)	(7,500.58)
Closing cash in hand as on 30 December 2016	-	265.73	265.73

50. Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	Non-current borrowings	Current borrowings	Equity share capital	Total
Net debt as at 01 April 2016	-	5.41	1,806.67	1,812.08
Proceeds from issue of equity share capital	-	-	0.15	0.15
Proceeds from non-current borrowings (including current maturities) (net)	59.71	23.29	-	83.00
Repayment of current borrowings (net)	-	(5.41)	-	(5.41)
Net debt as at 31 March 2017	59.71	23.29	1,806.82	1,889.82
Net debt as at 01 April 2017	59.71	23.29	1,806.82	1,889.82
Proceeds from issue of equity share capital	-	-	2.92	2.92
Proceeds from non-current borrowings (including current maturities) (net)	-	-	-	-
Proceeds of current borrowings (net)	-	-	-	-
Repayment of current borrowings (net)	-	(23.29)	-	(23.29)
Current maturities of long-term debt	(27.29)	27.29	-	-
Net debt as at 31 March 2018	32.42	27.29	1,809.74	1,869.45

(All amounts in ₹ lacs, unless stated otherwise)

51. First time adoption of Ind AS

Explanations of transition to Ind AS

As stated in note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in note 2 have been applied in preparing these financial statements for the year ended 31 March 2018, including for the comparative information presented in these financial statements for the year ended 31 March 2017 and the opening Ind AS balance sheet as on the date of transition, i.e., 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

A. Ind AS Optional exemptions and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions:-

a) Optional exemptions availed

1. Fair valuation of property plant and equipment, and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;

- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to measure the items of property, plant and equipment and intangible assets, at the date of transition at its fair value and use that fair value as its deemed cost at that date.

2. Lease arrangements

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. Accordingly, the Company has elected to assess all the contracts existing at the date of transition to Ind AS.

3. Share based payments

Ind AS 102 Share based payments requires an entity to record the options on their fair value instead of intrinsic value. Ind AS 101 permits a first time adopter to ignore such requirement for the options already vested as on transition date. The Company has elected to apply this exemption for such vested options.

(All amounts in ₹ lacs, unless stated otherwise)

4. Business combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

b) Mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that existed on the date of transition.

B. Reconciliations between previous GAAP and Ind AS

1. Reconciliations of equity

Particulars	Notes	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Assets							
Non-current assets							
Property, plant and equipment	7	12,750.83	(1,294.44)	11,456.39	10,755.33	(1,622.75)	9,132.58
Capital work in progress	5	122.06	(5.95)	116.10	234.56	(13.79)	220.77
Intangible assets		274.19	(0.09)	274.10	274.78	(0.09)	274.69
Financial assets							
Investments	1	575.84	9.07	584.91	1,303.00	270.28	1,573.28
Loans	4	972.84	(355.84)	617.00	875.42	(341.37)	534.05
Other financial assets		2.91	-	2.91	9.61	(0.00)	9.61
Deferred tax assets (net)		704.25	81.74	785.99	422.05	322.10	744.15
Other non current assets		762.57	265.76	1,028.33	808.68	262.51	1,071.19
Total non-current assets		**16,165.48**	**(1,299.74)**	**14,865.73**	**14,683.44**	**(1,123.12)**	**13,560.32**
Current assets							
Inventories		26,917.55	-	26,917.55	20,442.71	(0.00)	20,442.71
Financial assets							
Investments	1	6,185.87	412.70	6,598.57	1,933.70	89.75	2,023.45

(All amounts in ₹ lacs, unless stated otherwise)

B. Reconciliations between previous GAAP and Ind AS (Contd.)

1. Reconciliations of equity

Particulars	Notes	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Cash and cash equivalents		286.30	-	286.30	204.09	(0.00)	204.09
Other bank balances		6.88	(1.16)	5.72	233.27	(9.44)	223.83
Loans		8.85	-	8.85	30.29	-	30.29
Other financial assets		63.85	22.38	86.23	22.23	45.39	67.62
Other current assets		268.44	33.21	301.65	770.14	13.14	783.28
Total current assets		**33,737.74**	**467.13**	**34,204.87**	**23,636.43**	**138.84**	**23,775.27**
Total Assets		**49,903.22**	**(832.61)**	**49,070.60**	**38,319.86**	**(984.27)**	**37,335.59**
Equity and liabilities							
Equity							
Equity share capital		1,806.82	-	1,806.82	1,806.67	-	1,806.67
Other equity		25,227.06	(30.10)	25,196.96	21,265.30	(494.03)	20,771.27
Total equity		**27,033.88**	**(30.10)**	**27,003.78**	**23,071.97**	**(494.03)**	**22,577.94**
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings		59.71	-	59.71	-	-	-
Other financial liabilities		-	368.39	368.39	-	330.70	330.70
Provisions	5	1,475.96	(1,183.84)	292.12	1,051.52	(838.68)	212.84
Total non-current liabilities		**1,535.67**	**(815.45)**	**720.22**	**1,051.52**	**(507.98)**	**543.54**
Current liabilities							
Financial liabilities							
Borrowings		3,487.04	-	3,487.04	2,691.13	-	2,691.13
Trade payables		15,990.29	-	15,990.29	9,564.66	-	9,564.66
Other financial liabilities		766.07	89.83	855.89	902.59	102.90	1,005.49
Other current liabilities		574.77	(74.10)	500.67	429.62	(42.51)	387.11
Provisions	5	72.02	(55.46)	16.56	81.96	(66.28)	15.68
Current tax liabilities (net)		443.48	52.67	496.15	526.41	23.63	550.04
Total current liabilities		**21,333.67**	**12.94**	**21,346.60**	**14,196.37**	**17.74**	**14,214.11**
Total liabilities		**22,869.34**	**(802.51)**	**22,066.82**	**15,247.89**	**(490.24)**	**14,757.65**
Total equity and liabilities		**49,903.22**	**(832.61)**	**49,070.60**	**38,319.86**	**(984.27)**	**37,335.59**

* The previous GAAP figures have been reclassified to conforms to Ind AS presentation requirements for the purpose of this note.

(All amounts in ₹ lacs, unless stated otherwise)

B. Reconciliations between previous GAAP and Ind AS (Contd.)

2. Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Income				
Revenue from operations		1,00,172.55	-	1,00,172.55
Other income	1 and 4	308.99	105.10	414.09
Total revenue		**1,00,481.54**	**105.10**	**1,00,586.64**
Expenses				
Purchase of stock-in-trade		76,732.40	19.31	76,751.71
Changes in inventories of stock-in-trade		(6,474.84)	-	(6,474.84)
Employee benefits expense	3 and 6	7,771.40	56.55	7,827.95
Other expenses	4 and 5	13,885.40	(293.55)	13,591.85
Total expenses		**91,914.36**	**(217.69)**	**91,696.67**
Earnings before interest, tax, depreciation and amortization (EBITDA)		**8,567.18**	**322.79**	**8,889.97**
Finance costs		352.42	-	352.42
Depreciation and amortisation expense	7	2,202.02	(346.70)	1,855.32
Profit before tax		**6,012.74**	**669.49**	**6,682.23**
Income tax expense				
Current tax		2,342.24	-	2,342.24
Deferred tax		(282.20)	231.76	(50.44)
Profit for the year		**3,952.70**	**437.73**	**4,390.43**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of post employment benefit obligations		-	24.86	24.86
Income tax relating to these items		-	(8.60)	(8.60)
Other comprehensive income for the year		**-**	**24.86**	**16.25**
Total comprehensive income for the year		**3,952.70**	**462.59**	**4,406.69**

* The previous GAAP figures have been reclassified to conforms to Ind AS presentation requirements for the purpose of this note.

(All amounts in ₹ lacs, unless stated otherwise)

B. Reconciliations between previous GAAP and Ind AS (contd.)

3. Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes	As at 31 March 2017	As at 1 April 2016
Total equity as per previous GAAP		27,033.88	23,071.97
Adjustments			
Reversal of dividend proposed	2	-	18.07
Reversal of dividend distribution tax	2	-	3.68
Rent expense adjustment - escalations/rent free periods	5	1,040.97	770.67
Depreciation impact on fair valuation as deemed cost (on transition date) for property, plant and equipment	7	(1,538.86)	(1,938.71)
Rent expense recognised on account of fair valuation of interest free security deposits	4	(156.06)	(191.75)
Measurement of financial assets at amortised cost	4	119.67	161.97
Measurement of financial assets at fair value through profit or loss	1	421.99	359.94
Tax impact of above adjustments		81.43	322.10
Total adjustments		**(30.86)**	**(494.03)**
Total equity as per Ind AS		**27,003.02**	**22,577.94**

4. Reconciliation of total comprehensive income for March 31 2017

Particulars	Notes	As at 31 March 2017
Net profit as per previous GAAP		3,952.70
Adjustments		
Rent expense adjustment - escalations/rent free periods	5	270.30
Depreciation impact on fair valuation as deemed cost (on transition date) for property, plant and equipment	7	399.85
Rent expense recognised on account of fair valuation of interest free security deposits	4	(48.90)
Measurement of financial assets at amortised cost	4	43.05
Measurement of financial assets at fair value through profit or loss	1	62.05
Share based payment cost measured at fair value	6	(31.69)
Tax impact of above adjustments		(240.67)
Total adjustments		**453.99**
Total comprehensive income for the year ended 31 March 2017		**4,406.69**

5. The transition to Ind AS as above did not have any material impact on the cash flow activities of the Company as reported under Previous GAAP.

(All amounts in ₹ lacs, unless stated otherwise)

C. Notes to first-time adoption

1. Fair valuation of investments

Under the previous GAAP, long-term investments were carried at cost less provision for permanent decline in the value of such investments. Current investments were carried at lower of cost and market value. The Company has made investments in certain mutual funds such as FMPs, Debt funds, Short term funds etc. Under Ind AS, these investments are measured at fair value through profit and loss (FVTPL). The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently, in the profit or loss.

2. Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings.

3. Remeasurements of post-employment benefit obligations

Under the previous GAAP, actuarial gains and losses on employee defined benefit obligations were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income. This has resulted in a reclassification between profit or loss and other comprehensive income.

4. Security deposits

Under the previous GAAP, rent expenses including rent escalations and rent free period were recorded on a straight-line basis over the lease term. However,Ind-AS 17 permits the Company to ignore straight-lining of rent expense in case escalation reflects expected inflationary cost increases. Accordingly, the Company has reversed the lease equalisation reserve to the extent it pertains to rent escalations since it considers increases in rent largely to be consistent with the inflation rate.

5. Lease equalization reserve

Under the previous GAAP, rent expenses including rent escalations and rent free period were recorded on a straight-line basis over the lease term. However, Ind-AS 17 permits the Company to ignore straight-lining of rent expense in case escalation reflects expected inflationary cost increases. Accordingly, the Company has reversed the lease equalisation reserve to the extent it pertains to rent escalations since it considers increases in rent largely to be consistent with the inflation rate.

6. Fair valuation of ESOP

Under the previous GAAP, equity settled employee share-based payments were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled employee share-based payments is recognised based on the fair value of options as on the grant date. The effect of these is reflected in total equity and/ or profit or loss as applicable.

7. Fair valuation of Property, Plant and Equipment

Under the previous GAAP, fixed assets were carried at historical cost less accumulated depreciation. Under Ind AS, the Company has elected to measure the items of property, plant and equipment and intangible assets, at the date of transition at its fair value and use that fair value as its deemed cost at that date.

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

per **Anupam Kumar**
Partner

Place: Gurugram
Date: 24 May 2018

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

Madan Gopal Agarwal
Director
DIN No. 02249947

Lalit Agarwal
Managing Director
DIN No. 00900900

Anand Agarwal
Chief Financial Officer
ADDPA0633P

Megha Tandon
Company Secretary
Membership No. A35532

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all material approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

____

Lalit Agarwal
Chairman and Managing Director
(DIN: 00900900)

Date: January 28, 2021

Place: Gurugram

DECLARATION

We, the Board of Directors of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED OF BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____

Lalit Agarwal
Chairman and Managing Director
(DIN: 00900900)

Date: January 28, 2021

Place: Gurugram

I am authorized by the Investment Committee, a committee of the Board of Directors of the Company, *vide* resolution dated January 28, 2021 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Lalit Agarwal
Chairman and Managing Director
(DIN: 00900900)

Date: January 28, 2021

Place: Gurugram

V-MART RETAIL LIMITED

Registered Office
610-611, Guru Ram Dass Nagar
Main Market, opposite SBI Bank
Laxmi Nagar, New Delhi 110 092
India

Corporate Office
Plot No. 862, Udyog Vihar
Industrial Area, Phase V, Gurgaon 122 016
Haryana, India

Tel: +91 124 464 0030
Email: info@vmart.co.in
Website: www.vmart.co.in
CIN: L51909DL2002PLC163727

Compliance Officer
Megha Tandon, Company Secretary and Compliance Officer
Plot No. 862, Udhyog Vihar Phase-V
Industrial Area, Gurugram 122 016
Haryana, India
Tel: +91 124 464 0030
E-mail: cs@vmart.co.in

BOOK RUNNING LEAD MANAGER

Kotak Mahindra Capital Company Limited
27BKC, 1st Floor, Plot No. C-27,
"G" Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

LEGAL ADVISORS TO THE ISSUE

Indian Legal Counsel to the Issue

Khaitan & Co.
Max Towers, 7th & 8th Floors
Sector 16B, Noida, Gautam Budh Nagar 201 301
Uttar Pradesh, India

Special International Legal Counsel to the BRLM

Duane Morris & Selvam LLP
16 Collyer Quay, 17th Floor
Singapore 049318

STATUTORY AUDITORS OF OUR COMPANY

M/s S. R. Batliboi & Co. LLP, Chartered Accountants
4th Floor, Office 405, World Mark 2
Asset No. 8, IGI Airport Hospitality District
Aerocity, New Delhi 110 037
India

SAMPLE APPLICATION FORM

<table>
<tr><td></td><td>APPLICATION FORM</td></tr>
<tr><td>V-MART RETAIL LIMITED
(Incorporated in the Republic of India under the provisions of the Companies Act, 1956)
Registered Office: 610-611, Guru Ram Dass Nagar, Main Market, opposite SBI Bank, Laxmi Nagar, New Delhi 110 092, India Corporate Office: Plot No. 862, Udyog Vihar, Industrial Area, Phase V, Gurgaon 122 016, Haryana, India
Telephone: +91 124 464 0030 | E-mail: info@vmart.co.in | CIN: L51909DL2002PLC163727
Website: www.vmart.co.in</td><td>Name of the Bidder: __________

Form No. __________

Date: _________</td></tr>
</table>

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING UP TO ₹ [●] LAKH UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED ("PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED, BY V-MART RETAIL LIMITED ("COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE").

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are, (a) not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) not restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (c) are eligible to invest in the Issue and (ii) are residents in India, or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"); can submit this Application Form. Further, except as provided in (ii) above, other non-resident QIBs, including foreign venture capital investors and multilateral and bilateral development finance institutions are not permitted to participate in the Issue. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions", as defined in, and in accordance with, Regulation S under the U.S. Securities Act of 1933 ("Regulation S") and in compliance with the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares will be transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" in the preliminary placement document dated January 28, 2021 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 ("FEMA RULES") IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES.

To,
The Board of Directors
V Mart Retail Limited
610-611, Guru Ram Dass Nagar
Main Market, opposite SBI Bank
Laxmi Nagar, New Delhi 110 092
India

STATUS (Please ✓)			
FI	Scheduled Commercial Banks & Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**NIF**	National Investment Fund
FPI	Eligible Foreign Portfolio Investors**	**IF**	Insurance Funds
VCF	Venture Capital Funds*	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others ________________ (*please specify*)

** Sponsor and Manager should be Indian owned and controlled.*
*** Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

Dear Sirs / Madams,

On the basis of the serially numbered PPD of the Company, and subject to the terms and conditions contained therein and in this section of Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares at the terms and price indicated below. We confirm that we are an eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and (i) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, and (ii) are not restricted from participating in the Issue under the applicable laws, including the SEBI ICDR Regulations and other applicable laws. We are not a promoter (as defined in SEBI ICDR Regulations) of the Company, or any person related to the Promoters, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group, veto rights or right to appoint any nominee director on the board of directors of the Company. In addition, we confirm that we are eligible to invest in the Equity Shares under the SEBI ICDR Regulations, Reserve Bank of India circulars and other applicable laws. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules. We confirm that we are neither an AIF or VCF whose sponsor and manager
is not Indian owned and controlled in terms of the FEMA Rules, nor a FVCI or a multilateral or bilateral development financial institution.

We confirm that the Bid size / aggregate number of Equity Shares applied for by us, and which may be Allocated to us thereon, does not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us, if applicable, in accordance with Chapter VI of the SEBI ICDR Regulations, and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that each foreign portfolio investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (such foreign portfolio investor, an "**FPI**") (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form and asset management companies of mutual funds would have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares which may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the applicant and the applicant has all the relevant approvals. We note that the Company, in consultation with Kotak Mahindra Capital Company Limited, the book running lead manager (the "**BRLM**"), is entitled, in its absolute discretion to accept or reject this Application Form without assigning any reason thereof.

We agree and consent that: (i) our names, address, PAN, contact details, bank details, email-id, and the number of Equity Shares Allotted along with other relevant information as may be required will be recorded by the Company in the format prescribed in terms of the PAS Rules, (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our name will be included in the Placement Document as proposed allottees along with the percentage of our post issue shareholding in the Company, for which purpose the BRLM has relied on the information provided by the registrar for obtaining details of our shareholding, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi, as required in terms of the PAS Rules. We are also aware that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, the Company shall be required to disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the website of the BSE and the NSE, and we consent to such disclosure. Further, we agree to comply with the rules and regulations that are applicable to us, including restriction on transferability and lock-in requirements. In this regard, we authorise the Company to issue instructions to the depositories for such restriction on transferability and lock-in requirements, as may be applicable to us.

By signing and / or submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLM for the Issue, each of which is entitled to rely and are relying on these representations and warranties in consummating the Issue, (ii) that we have been provided a serially numbered copy of the PPD along with the Application Form, and have read it in its entirety including in particular, the "*Risk Factors*" therein, (iii) to abide by the PPD and the Placement Document, when issued, this Application Form, the confirmation of allocation note (the "**CAN**"), when issued, and the terms, conditions and agreements contained therein, (iv) that if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office, (v) that the Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with BRLM, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part, (vi) that we shall not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until the receipt of final listing and trading approvals for the Equity Shares issued by the BSE and the NSE and (vii) that we, together with other persons that belong to our same group or are under common control, have not applied for more than 50% of the Issue and that the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation: the expression: Eligible QIBs belonging to the "same group" shall derive meaning from Regulation 180 (2) of the SEBI ICDR Regulations and mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below. The Bid Amount payable by us for the Equity Shares to be allotted in the Issue has been / will be remitted to the designated bank account, only through electronic mode pursuant to duly completed Application Form. We acknowledge and agree that we shall not make any payment in cash or cheque. We also agree that the amount payable for the Equity Shares in the Issue is being (shall be) made from the bank account maintained in our name and the Bid Amount, or a portion thereof, may be refunded to the same bank account (i) if the Company is unable to issue and Allot the Equity Shares offered in the Issue; or (ii) if there is a cancellation of the Issue; or (iii) in case of rejection of Bids or non-allocation of Equity Shares; or (iv) in the event, the Bid Amount per Equity Share exceeds the Issue Price per Equity Share. We further confirm that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell the Equity Shares, for a period of one year from the date of Allotment, otherwise than on the floor of a recognized stock exchange in India. Further, we acknowledge that we shall not have the right to revise or withdraw our Bid after the Issue Closing Date.

By making this application, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. We further represent that in making our investment decision, we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLM or from any other source, including publicly available information. We satisfy any and all relevant suitability standards for investors in the Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in the Equity Shares, and are able to sustain a complete loss of our investment in the Equity Shares.
We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing this Application Form, we hereby represent that we are located outside the United States and we are purchasing Equity Shares in an "offshore transaction", as defined in, and in accordance with, Regulation S and in compliance with the applicable laws of the jurisdiction where those offers and sales are made.

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

APPLICANT DETAILS (in block letters)				
NAME OF APPLICANT*				
NATIONALITY				
REGISTERED ADDRESS				
CITY AND CODE				
COUNTRY				
PHONE NO.			**FAX NO.**	
MOBILE NO.				
EMAIL ID				
FOR FPIs**	**Registration Number:**	**For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs**		**Registration Number:**

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLM.*
***In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLM will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT - REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER	
BY 2.00 P.M. (IST), [●], 2021, Tuesday	
Name of the Account	V-Mart Retail Limited-QIP Escrow account
Name of Bank	Axis Bank Limited
Address of the Branch of the Bank	Axis Bank Limited, B1 & B2, Enkay Tower, Ground Floor, Vanijya Nikunj, Udyog Vihar Phase 5, NH-8, Gurgaon – 122 016
Account Type	Escrow Account
Account Number	921020003672363
IFSC code	UTIB0001527
Tel No.	0124 426 5410
E-mail	udyogvihar.operationshead@axisbank.com; udyogvihar.branchhead@axisbank.com

The Bid Amount should be transferred pursuant to the PPD and the Application Form. All payments must be made only by way of electronic funds transfer, in favour of 'V-Mart Retail Limited-QIP Escrow account'. Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bidding Period i.e. within the Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS		
Depository Name (Please ✓)	National Security Depository Limited	Central Depository Services (India) Limited
Depository Participant Name		
DP – ID	I N	
Beneficiary Account Number		*(16 digit beneficiary account. no. to be mentioned above)*

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purpose of refund, if any, only the bank details as mentioned below, from which the Bid Amount has been remitted for the Equity Shares applied for in the Issue, will be considered.

The Applicants are responsible for the accuracy of the bank details mentioned below and are also aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by them. The Company and the BRLM shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**	
(*in figures*)	(*in words*)	(*in figures*)	(*in words*)
BID AMOUNT (RUPEES)			
(*in figures*)	(*in words*)		

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
MOB. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN**	
Signature of Authorised Signatory (may be signed either physically or digitally)	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following:
☐ Copy of PAN Card or PAN allotment letterCopy of FPI / MF / AIF / VCF Registration Certificate from SEBI
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
☐ FIRC
☐ Copy of notification as a public financial institution
☐ Copy of IRDAI registration certificate
☐ Certified true copy of Power of Attorney
☐ Other, please specify: ___________________________ ____

**The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company and the BRLM.*
***It is to be specifically noted that the applicant should not submit the GIR number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961*

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable
Note:
(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and Placement Document, unless specifically defined herein.
(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate.

The Application Form, the PPD and the Placement Document sent to you, either in physical or electronic form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the BRLMs, has identified Eligible QIBs and circulated serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs.)