



REPORT

2008

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VISHAL RETAIL LIMITED

Regd. Office : RZ-A-95 & 96, Road No. 4, Street No. 9, Mahipalpur Extension, New Delhi-110037
Corporate Office : Plot No. 332, Near Telco Service Station, Behind Shokeen Farm Lands, Rangpuri, New Delhi-110037

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VISHAL RETAIL LIMITED

Regd. Office : RZ-A-95 & 96, Road No. 4, Street No. 9, Mahipalpur Extension, New Delhi-110037

Local Corp. Office : Plot No. 7 & 18, Sector-5, IMT Manesar, Gurgaon, Haryana

POSTAL BALLOT NOTICE **(Pursuant to Section 192A of the Companies Act 1956)**

Dear Shareholder(s)

As per Section 293(1) (a) & 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, any proposal to sale or otherwise disposal of the whole or substantially the whole of the undertaking of a Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking requires the approval of the shareholders by way of an Ordinary Resolution through Postal Ballot.

The Company proposes to transfer by way of sale or otherwise it's following divisions to the below mentioned subsidiary companies, on going concern basis, along with all the employees as well as its assets and liabilities including its Manufacturing facilities:-

Manufacturing division (Apparel)	:	VRL Fashions Ltd.
Logistics & Supply Chain Management Division	:	VRL Movers Ltd.
Non -Apparel Division (Consumer Goods & Home Furnishing)	:	VRL Consumer Goods Ltd.
FMCG division	:	VRL Foods Ltd.

The Committee of Directors constituted for this purpose has appointed Mr. Sanjay Grover, FCS of M/s. Sanjay Grover & Associates, Practicing Company Secretaries, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Accordingly, we are appending the Postal Ballot form and the draft Resolutions along with the Explanatory statement pertaining to the said Resolution explaining in detail the material facts, for your consideration.

Please read the instructions printed in the Postal Ballot Form carefully and return the Form duly completed and signed, in the enclosed postage pre-paid self-addressed envelope so as to reach the Scrutinizer on or before the close of working hours on Wednesday, September 12, 2008. The Ballot Form received after the said date will be treated as not to have been received.

The Scrutinizer will submit his report to the Managing Director of the Company after completion of the scrutiny of the Postal Ballots and the results thereof will be announced by the Chairman and Managing Director or by the Company Secretary in his absence, on September 19, 2008 at 03.00 p.m. at the Local Corporate Office of the Company at Plot No. 7 & 18, Sector-5, IMT Manesar, Gurgaon, Haryana. Simultaneously, the results will be put up on the Company's website www.vishalmegamart.net, the notice Board of the company and would promptly be intimated to stock exchange(s) and published in the newspapers.

Members may please note that a resolution will be deemed to have been passed as ordinary resolution, if the votes cast in its favour are more than the votes cast against it and would be deemed to have been passed at the General Meeting of the Company.

The date of declaration of result shall be deemed to be date of passing of the said resolution.

SPECIAL BUSINESS

1. Sale of Undertakings of the Company

To consider and pass with or without modification, the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a), Section 192A read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned Statutory Authorities and subject to such terms and conditions as may be imposed by them, consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board" which expression shall also include a committee thereof) to sell and transfer, following divisions to the below mentioned subsidiary companies, along with all the employees as well as its assets and liabilities including its Manufacturing facilities, as a "going concern":-

Manufacturing division (Apparel)	:	VRL Fashions Ltd.
Logistics & Supply Chain Management Division	:	VRL Movers Ltd.
Non -Apparel Division (Consumer Goods & Home Furnishing)	:	VRL Consumer Goods Ltd.
FMCG division	:	VRL Foods Ltd.

for such consideration not lower than the net book value of the assets of above divisions in such manner and with effect from such date as may be decided by the board of directors of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, matters, deeds and things, as may be necessary, without further referring to the Members of the Company, including finalising the terms and conditions, methods and modes in respect thereof, determining the exact effective date, if need to be changed, and finalising and executing necessary documents including schemes, agreements, deeds of assignment / conveyance and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company including the power to delegate, to give effect to this Resolution."

By the Order of board of directors
For Vishal Retail Limited

Date : August 8, 2008
Place : New Delhi

Ram Chandra Agarwal
Chairman & Managing Director

NOTES:

1. An explanatory Statement pursuant to Section 173(2) and 192A(2) of the Companies Act, 1956 setting out material facts concerning the aforesaid special business and reasons therefore is annexed thereto.
2. Shareholders may, if they so desire be present at the time of the declaration of results. However a prior intimation at least 2 days before the date of declaration of result is required to be given to company at its Local Corporate office.
3. Only a shareholder entitled to vote can exercise his vote through Postal ballot. A shareholder having no voting right should treat this notice as intimation only.
4. In terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the item of business set out in the notice shall be passed by postal ballot.
5. The Board of Directors has appointed Shri Sanjay Grover of M/s. Sanjay Grover & Associates, Company Secretaries as the scrutinizer for conducting the postal ballot voting process in accordance with the law and in a fair and transparent manner Shri Sanjay Grover has given his consent to act as scrutinizer for conducting the postal ballot.
6. The shareholders are requested to carefully read the instructions printed on the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self-addressed envelope directly to the scrutinizer so as to reach the scrutinizer before the close of working hours (16:30 hours) on or before September 12, 2008. Since response received from the members after September 12, 2008 shall be treated as if no response is received in terms of Rule 5(f) of Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the Members are requested to send the duly completed Postal Ballot Forms well before September 12, 2008 providing sufficient time for postal transit. No other form or photocopy thereof is permitted.
7. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
8. The Ordinary Resolution mentioned above shall be declared as passed if the numbers of votes cast in its favour are more than the number of votes cast against the said resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The Retail Industry is growing at an accelerated rate. As per survey conducted by the UTI TV, the estimated size of Retail Industry is Rs. 75,000 Crores. Along with the Retail industry, the importance of major business segments is also being recognized. To seize the opportunities thrown open by the Retail Industry, it has also become the need of the day to manage & focus on all the business segments more effectively, which will act as a driver to the growth of the business of the Company.

At present, company is managing its division's viz. Supply and Chain Management, Fashion Apparels, Merchandising divisions etc. in house. We are planning to consolidate all our business segments by spinning them off into separate 100% subsidiaries. With the growth of the business of the Company, it is being felt that it is necessary to have an independent growth of each business Segment. This will also help us in increasing our focus on retail business besides unlocking the value of the emerging retail business segments which has a high potential for growth. Each segment being independent units shall be able to conduct their respective business more vigorously and enter into strategic tie ups for enhanced growth.

To this intent, the Board at its meeting held on July 30, 2008, approved in principle, subject to shareholder and other regulatory approvals, to transfer the Logistics and Supply Chain Management division, FMCG & Non-Apparel, Fashions Apparel division to our wholly owned subsidiary Companies to facilitate the independent growth of the business segments of the Company.

VRL Fashions Ltd, VRL Movers Ltd, VRL Foods Ltd. and VRL Consumer Goods Ltd shall be 100% subsidiary of Vishal Retail Limited and the consideration amount for such transfer shall be settled by issue of equity shares by such subsidiary companies to Vishal Retail Limited.

The transfer of the above divisions upon completion of necessary formalities would be at a consideration to be determined by the Board of Directors being not lower than the net book value of the assets of the Business on the date of transfer.

The sale and transfer of above divisions to our Wholly owned Subsidiary Companies will be done on going concern basis and by way of a slump sale, which shall not attract any tax implications.

The proposed sale and transfer will be in conformity with the provisions of proviso to Section 25FF of the Industrial Disputes, Act, 1947 ensuring that the services of concerned employees engaged in the above decisions will be transferred to our Wholly owned Subsidiary Companies with continuity of service and terms and conditions of service no less favorable than the existing ones.

Pursuant to the provisions of Sections 293(1)(a) and 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the proposal to sale, transfer or disposal of an undertaking requires the approval of the Members by an Ordinary Resolution by way of Postal Ballot. Accordingly, the approval of the Members is being sought through Postal Ballot for passing the Ordinary Resolution as set out in the above Notice.

The Board of Directors is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence recommends the Resolution for your approval.

Except Mr. Ram Chandra Agarwal, Mrs. Uma Agarwal and Mr. Surendra Kumar Agarwal, none of the other Directors of the Company is in any way concerned or interested in this Resolution.

By the Order of board of directors
For Vishal Retail Limited

Date : August 8, 2008
Place : New Delhi

Ram Chandra Agarwal
Chairman & Managing Director



VISHAL RETAIL LIMITED

Regd. Office : RZ-A-95 & 96, Road No. 4, Street No. 9, Mahipalpur Extension, New Delhi-110037

Local Corp. Office : Plot No. 7 & 18, Sector-5, IMT Manesar, Gurgaon, Haryana

POSTAL BALLOT FORM

1.	Registered Folio No.	:	
2.	DP ID No.*	:	
3.	Client ID No.*	:	
4.	Number of Equity Shares held	:	
5	Name and Registered Address of Member(s), including joint -holders, if any (in block letters)	:	

I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through Postal Ballot for the business stated in the Postal Ballot Notice dated August 8, 2008 by sending my/our assent or dissent to the said resolutions by placing tick mark at the appropriate box below:

Item no.	Description of Item	Number of Equity Shares held	I/We assent to the resolution	I/We dissent to the resolution
1.	Ordinary resolution under Section 293(1)(a) of the Companies Act, 1956 in relation to sale of undertaking to the Subsidiary Companies			

Date :

Place :

Signature of Shareholder

Note : Please read carefully the instructions printed overleaf before exercising the vote.

: * (*Applicable to the Shareholders holding shares in Demat form, if any)

INSTRUCTIONS:

1. A member desiring to exercise his/her vote by postal ballot may complete this postal ballot form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer Shri Sanjay Grover of M/s. Sanjay Grover & Associates, Company Secretaries at the address mentioned in the attached self-addressed prepaid business reply envelope. However, envelopes containing Postal Ballot Forms, if sent through courier at the expense of the shareholder, will also be accepted.
2. The postal ballot form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company's RTA) by the first named shareholder and in his absence, by the next named shareholder. Please note that Postal Ballot shall not be signed by the proxy.
3. The votes should be cast either in favor or against by putting the tick () mark in the column provided for assent or dissent. Postal Ballot Forms bearing tick marks in both the Columns will render the form invalid.
4. Any incomplete, unsigned or incorrect filled postal ballot forms will be rejected. The scrutinizer's decision on the validity of the postal ballot will be final and binding.
5. Duly completed postal ballot form should reach the scrutinizer not later than the close of the working hours i.e. 17: 00 hrs on September 10, 2008. Postal ballot forms received after this date will be strictly treated as if reply from the shareholder has not been received.
6. In case of shares held by companies, trusts, societies etc the duly completed Postal Ballot Form should be accompanied by a Certified Copy of the Board Resolution / Authority.
7. Voting Rights shall be reckoned on the paid up value of the equity shares registered in the name of the shareholders on the date of dispatch of the Postal Ballot Notice.
8. The right of voting by postal Ballot shall not be exercised by a proxy.
9. Members are requested not to send any paper along with the Postal Ballot Form in the enclosed self addressed envelope as the envelope will be sent to the scrutinizer and any extraneous paper found in the envelope would not be acted upon and destroyed by the scrutinizer.
10. The Chairman and in his absence any person, Company Secretary will announce the result on September 13, 2008 at the Local Corporate Office of the Company at Plot No. 7 & 18, Sector-5, IMT Manesar, Gurgaon, Haryana. The date of declaration of the result of the postal ballot will be taken as the date of passing the Special Resolution. The result of the postal ballot will also be displayed at the Local Corporate Office of the Company at Plot No. 7 & 18, Sector-5, IMT Manesar, Gurgaon, Haryana and published in newspapers.

C o n t e n t s

1.	Corporate Information	1
2.	Notice	2
3.	Message From the Chairman's Desk	11
4.	Directors Report	13
5.	Management Discussion and Analysis Report	16
6.	Corporate Governance Report	33
7.	Financials :- Vishal Retail Limited	
	• Balance Sheet	54
	• Profit and Loss Statement	55
	• Cash Flow Statement	56
8.	Subsidiary Companies	77
	• VRL Consumer Goods Ltd.	78
	• VRL Fashions Ltd.	81
	• VRL Foods Ltd.	84
	• VRL Movers Ltd.	87
	• VRL Infrastructure Ltd.	90
9.	Financials Consolidated	93

Corporate Information

BOARD OF DIRECTORS

Chairman & Managing Director

Ram Chandra Agarwal

Whole time Director

Uma Agarwal

Surendra Kumar Agarwal

Non Executive Independent Director

Bharat Jain

Jay Prakash Shukla

Rakesh Aggarwal

Head-Finance & Accounts

Amit Kumar Chaturvedi

Company Secretary

Arun Gupta

Group President

Ambeek Khemka

Tax Auditors

Chhaparia & Associates

8, CAMAC Street

5th Floor, Suit - 2

"Shanti Niketan Building"

Calcutta - 700017

Statutory Auditors

Haribhakti & Co.,

Chartered Accountants

42-43, Press Free House,

215, Nariman Point

Mumbai-400021

Bankers

Axis Bank Ltd.

SBI Limited

ICICI Bank Ltd.

ING Vysya Bank Ltd.

Registered Office

RZ-A- 95 & 96,

Road No. 4, Street No. 9,

Mahipalpur Extn., New Delhi-110037

Phone : 011-30622002

Share Transfer Agents

Intime Spectrum Registry Limited

C-13, Panna Lal Silk Mill Compound

LBS Marg, Bhandup(west), Mumbai-400078

Tel 022-25960320-28

Fax 022-25960329

Local Corporate Office/Investor's Service Centre

Plot No. 7 & 18, Sector-5

IMT Manesar, Gurgaon (Haryana)

Phone :

Fax :

E mail: vishalipo@vrpl.in