



V2 RETAIL LIMITED

Annual Report 2014-15

BOARD OF DIRECTORS

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

CHIEF EXECUTIVE OFFICER

Mr. Manshu Tandon : Chief Executive Officer

CHIEF FINANCIAL OFFICER

Mr. Varun Kumar Singh : Chief Financial Officer

COMPANY SECRETARY

Mr. Yatish Bhardwaj : Company Secretary

STATUTORY AUDITORS

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

REGISTERED & CORPORATE OFFICE

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

REGISTRAR AND TRANSFER AGENT

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

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DIRECTORS' REPORT

To
The Members,
V2 Retail Limited

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

FINANCIAL HIGHLIGHTS

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

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

(Rs. In Lacs, Except Per Share Data)

FINANCIAL PERFORMANCE REVIEW

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

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

DIVIDEND

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

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

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

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

1. VRL Infrastructure Limited

2. VRL Movers Limited

3. VRL Retail Ventures Limited

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

TRANSFER TO RESERVES

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

SHARE CAPITAL

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

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

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

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

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

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

SEGMENT REPORTING

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

CASH FLOW ANALYSIS

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

SUBSIDIARY COMPANY

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

CONSOLIDATED FINANCIAL STATEMENTS

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

BOARD OF DIRECTORS

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

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

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

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

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

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

KEY MANAGERIAL PERSONNEL

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

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

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

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

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

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

NUMBER OF MEETINGS OF THE BOARD

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

OPERATIONS, PERFORMANCE AND FUTURE OUTLOOK OF THE COMPANY

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

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

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

PARTICULARS OF REMUNERATION OF DIRECTORS AND KMP'S

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

EXTRACT OF ANNUAL RETURN

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

AUDITORS AND AUDITORS' REPORT

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

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

Qualification and response to Auditor's Report

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

Management Response:

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

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

Management Response:

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

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

Management Response:

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

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

Management Response:

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

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

Management Response:

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

SECRETARIAL AUDITORS

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

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

CORPORATE GOVERNANCE

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

INTERNAL FINANCIAL CONTROL SYSTEM

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

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

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

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

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

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

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

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

PUBLIC DEPOSITS

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

PERSONNEL

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

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

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

DEPOSITORY SYSTEMS

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

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

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

CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES

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

I. National Stock Exchange of India Limited (NSE)

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

II. BSE Limited (BSE)

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

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

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

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

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

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

Weblink:

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

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

DISCLOSURE ON VIGIL MECHANISM (Whistle Blower Policy)

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

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

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

DISCLOSURE ON DEPOSIT UNDER CHAPTER V

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

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

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

INDUSTRIAL RELATIONS

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

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

On behalf of the Board of Directors
V2 Retail Limited

Sd-

Ram Chandra Agarwal

Chairman and Managing Director

DIN:-00491885

Date: 28.08.2015

Place: New Delhi

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

Annexure-1

NOMINATION AND REMUNERATION POLICY

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

Policy for Appointment and Re-Appointment of Director

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

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

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

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

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

Remuneration payable to Managing and Whole Time Director

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

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

Remuneration payable to Non-Executive Directors

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

Evaluation

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

Amendments

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

On behalf of the Board of Directors
V2 Retail Limited

Sd-

Ram Chandra Agarwal

Chairman and Managing Director

DIN:-00491885

Date: 28.08.2015

Place: New Delhi

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

Annexure-2

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

A CONSERVATION OF ENERGY

Conservation of Energy

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

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

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

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

Foreign Exchange Earnings and outgo

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

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

On On behalf of the Board of Directors
V2 Retail Limited

Sd-

Ram Chandra Agarwal

Chairman and Managing Director

DIN:-00491885

Date: 28.08.2015

Place: New Delhi

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

Annexure-3

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

PARTICULARS OF REMUNERATION

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

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

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

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

- c) the percentage increase in the median remuneration of employees in the financial year:- 10%
- d) the number of permanent employees on the rolls of company: 1340
- e) the explanation on the relationship between average increase in remuneration and company performance: On an average, employees received an increase of 18%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

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

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

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

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

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

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

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

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

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

Not applicable.

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

Not applicable.

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

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

15. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

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

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name & Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	To carry on the business as traders, dealers, whole sellers, agents, distributors, consignors, consignee, retailers, job work, scourers, spinners, weavers, finishers, dyer, tailors and drapers, cutters, import and export of all garments of gentlemen, ladies and Children	Main Division 52 Group 523 Class 5232	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

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

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

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