

MAKING ASPIRATIONS AFFORDABLE



Vishal Mega Mart was listed on the Stock Exchanges (BSE and NSE) on December 18, 2024, and it is a proud milestone in our journey.



WHAT'S INSIDE

FORWARD *Looking* Statements

This Annual Report may include certain forward-looking statements relating to the Company's future performance and prospects. These statements are not guarantees of future outcomes, as they are subject to various emerging risks, future events, changing circumstances, and other factors beyond the Company's control. Consequently, actual outcomes may differ materially from those expressed or implied in this report.

CORPORATE OVERVIEW | 02-31

Making Aspirations Affordable	02
Track Record of Delivering Profitable Growth	06
Our Journey So Far	18
Chairperson's Statement	20
Managing Director & CEO's Message	22
Community Development	24
Governance	28

STATUTORY REPORTS | 32-134

Management Discussion and Analysis	32
Board's Report	46
Report on Corporate Governance	74
Business Responsibility & Sustainability Report	105

FINANCIAL STATEMENTS | 136-267

Consolidated	136
Standalone	200

INVESTOR INFORMATION

CIN : L51909HR2018PLC073282
BSE Code : 544307
NSE Symbol : VMM
AGM Date : September 29, 2025



Or simply scan

For more investor-related information, please visit
<https://www.aboutvishal.com/>

Making ASPIRATIONS Affordable

We make aspirations affordable for middle and lower-middle income young-India across fashion, general merchandise, food and grocery.

Our wide range of merchandise, private brands and third-party brands are constantly innovating, improving quality and fashionability to fulfil the aspirational and daily needs of our customers at affordable prices.



ADDRESSING THE LARGEST CONSUMER SEGMENT IN INDIA

The number of middle-income households in India has increased from approximately 201 million in calendar year 2018 to approximately 225 million households (approximately 945 million individuals) in 2023, (Source: Redseer Report) driven by economic development,

growing formalisation of employment, and a structural shift from an agrarian-based economy towards manufacturing and services.

The total addressable market for retail in India is ₹68–72 trillion (US\$ 820–870 billion) as of 2023,

and is expected to be ₹104–112 trillion (US\$ 1,250–1,350 billion) by 2028, expanding at a CAGR of 9%. Organised retail is still a small part of retail consumption and offers an attractive opportunity for growth.



We target the middle and lower-middle income India

We are serving the largest consumer segment comprising ~66% of the households in India which includes nearly 945 million individuals across nearly 225 million households. (Source: Redseer Report)

Select Consumer Segments



Students



Relatively Affluent

Customers in rural mostly engaged in agriculture and trading.



Traders

Mom and pop shopkeepers.

Organised Sector Employees

Salaried individuals across public and private sector enterprises (including factories, police, and army, among others).



Unorganised Sector Workers

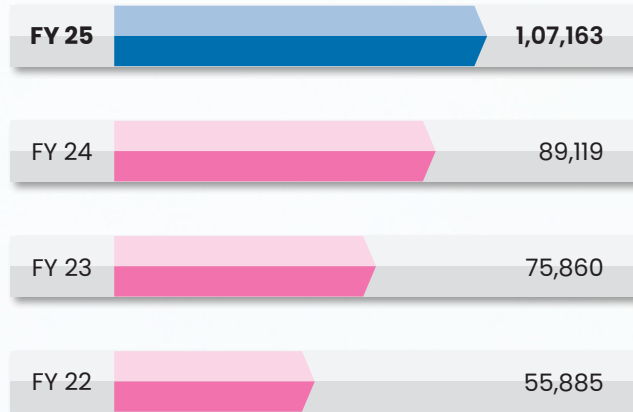
Self-employed individuals in the unorganised sector such as electricians, drivers, and plumbers, among others.



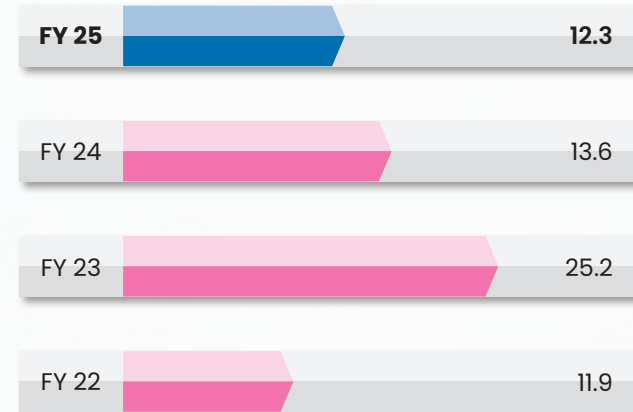
TRACK RECORD OF DELIVERING PROFITABLE GROWTH

We have a strong track record of delivering profitable and capital-efficient growth, driven by high revenue contribution from our own brands, expanding pan-India store footprint, and a healthy same-store sales growth (SSSG).

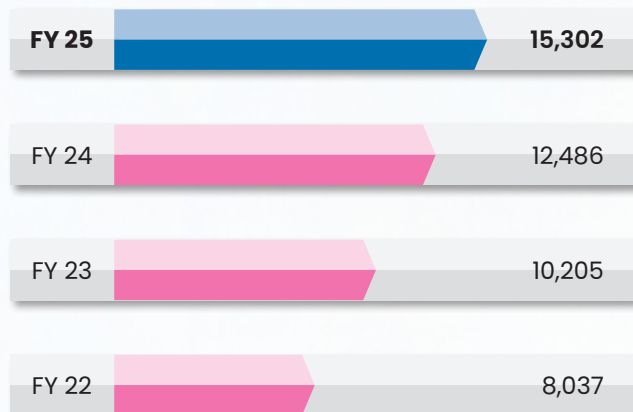
Revenue from Operations (₹ in million)



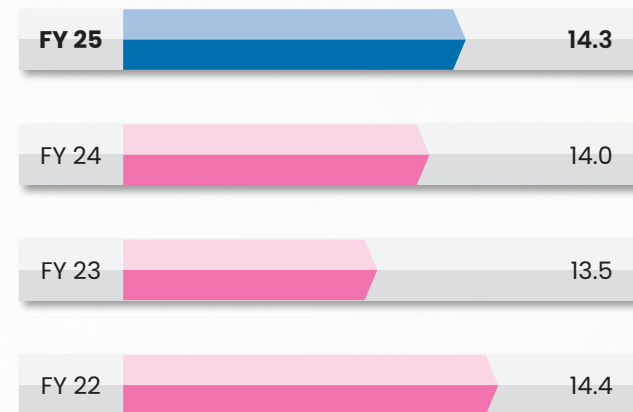
Adjusted Same-store Sales Growth* (%)



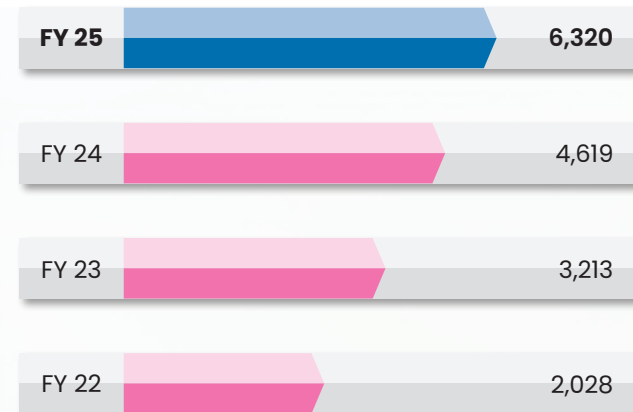
EBITDA (₹ in million)



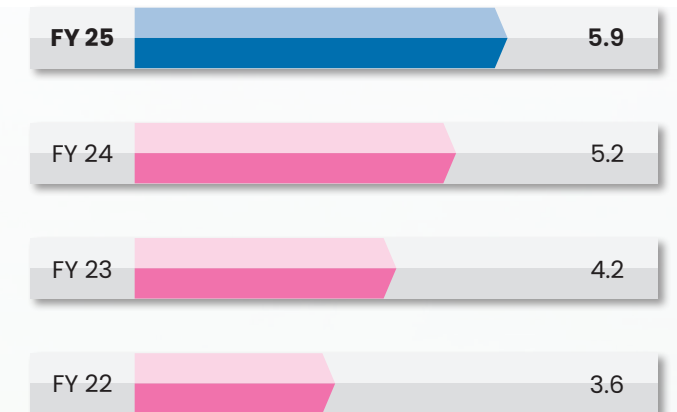
EBITDA Margin (%)



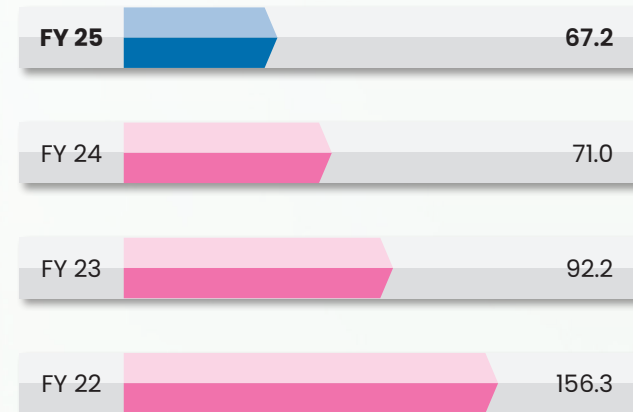
Profit After Tax (₹ in million)



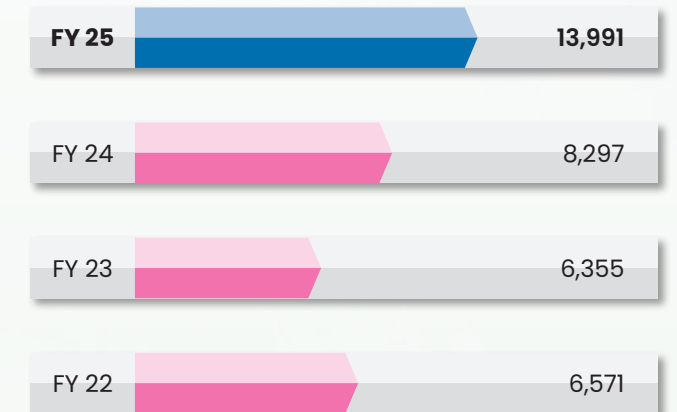
PAT Margin (%)



Adjusted Return on Capital Employed** (%)



Net Cash Flow from Operating Activities (₹ in million)



Note: The figures are stated on a consolidated basis.

* Adjusted SSSG is calculated as the growth in net revenue of all stores that have been operational for at least 15 months at the beginning of each quarter during the year. It is adjusted to exclude stores that are temporarily non-comparable with the base due to refurbishment, cannibalisation, area reduction, or any other event that may render them incomparable with the base period.

** Adjusted Return on Capital Employed is calculated as earnings before interest and tax (EBIT), adjusted for income generated from invested funds, divided by capital employed, also adjusted for invested funds.



VARIETY



Apparel



Women



Kids & Infants



Men

₹47,047 million

Segmental Revenue for FY25

44%

Contribution to Overall Revenue



Apparel is our largest business. It straddles all categories of apparel across Men, Ladies and Kids & Infants.

We ensure constantly improving fashionability and functionality across all apparel segments. We bring the latest fashion, global and Indian to our customers first. Our buying process is codified and supported by a large base of quality vendors, ensuring high full-price sell through in every season. We bring new fashion almost every week to our customers. Quality at affordable prices is one of the highlights of our apparel business.



General Merchandise



Home & Kitchen



Appliances



Travel



Footwear & Lifestyle

₹30,222 million

Segmental Revenue for FY25

28%

Contribution to Overall Revenue



Our general merchandise business includes own-brand and third-party products ranging across home appliances, crockery and utensils, home products and furnishings, toys, stationery, travel products and footwear, among others. We constantly improve quality, bring new local and global innovations and enhanced affordability to our customers. We strive to bring newness, excitement and convenience into our customers' homes.



FMCG



Food



Personal Care



Household Care

₹29,738 million

Segmental Revenue for FY25

28%

Contribution to Overall Revenue



A key feature of our FMCG business is the significant contribution of private brands across the portfolio. These brands have been developed by working backwards from the needs of middle-income India, offering relevant benefits and exceptional quality at very affordable prices. Our FMCG business includes all relevant categories.



OUR PORTFOLIO OF OWN BRANDS

26

Number of Own Brands

73.1%

Revenue Contribution of Own Brands

6

Own Brands with > ₹5 billion Revenue Each

19

Own Brands with > ₹1 billion Revenue Each



Apparel



Women



Kids & Infants



Men



T-shirts



Classics



Fashion



Kids Wear



Women's Casual



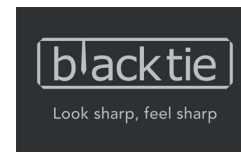
Women's Ethnic



Denims



Lingerie



Men's Formal



Men's Casual



Athleisure



Infant Wear



Girl's Wear



General Merchandise*



Home & Kitchen



Appliances



Travel



Footwear & Lifestyle



Home Furnishing



Crockery



Utensils



Travel



FMCG



Food



Personal Care



Household Care



Staples



Women Hygiene



Home Care



Packaged Food



Personal Care



Infant Diapers



Savory Products



Dairy and Confectionary



Kitchen Roll Napkin, and Facial Tissue, Among Others



Incense

*Note: Apparel brands (Brink, Lucky Charm, Blacktie, Unstoppable, Slant) also have footwear and accessories, which are covered under General Merchandise (GM).

WE HAVE A PAN-INDIA STORE FOOTPRINT ACROSS 30 STATES AND UTs

We continue to expand our pan-India network by deepening penetration in existing cities and towns while strengthening our presence in smaller towns and emerging markets across the country.

Where We Stand Nationwide

696 | 458

Stores, # Cities

85

Net Stores Added in
FY 2024-25

~72%

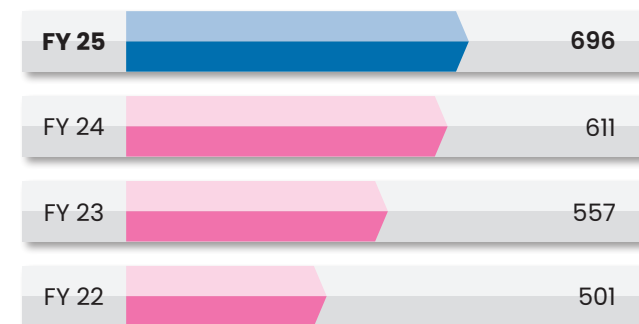
Stores in Tier II Cities and
beyond markets

Tier 1: Cities with a population greater than 1 million

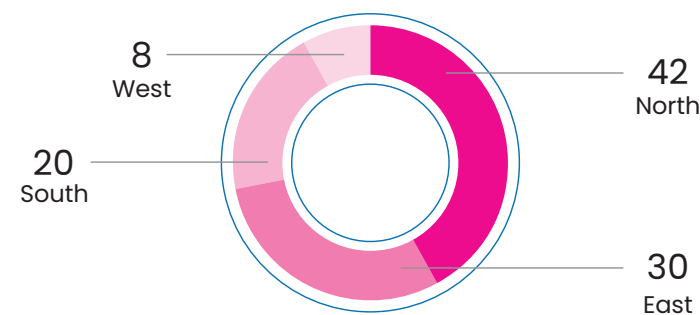
Tier 2: Cities with a population between 200,000 and 1 million

Tier 3: Cities with a population less than 200,000 (as per the 2011 Census)

Our Growing Store Count

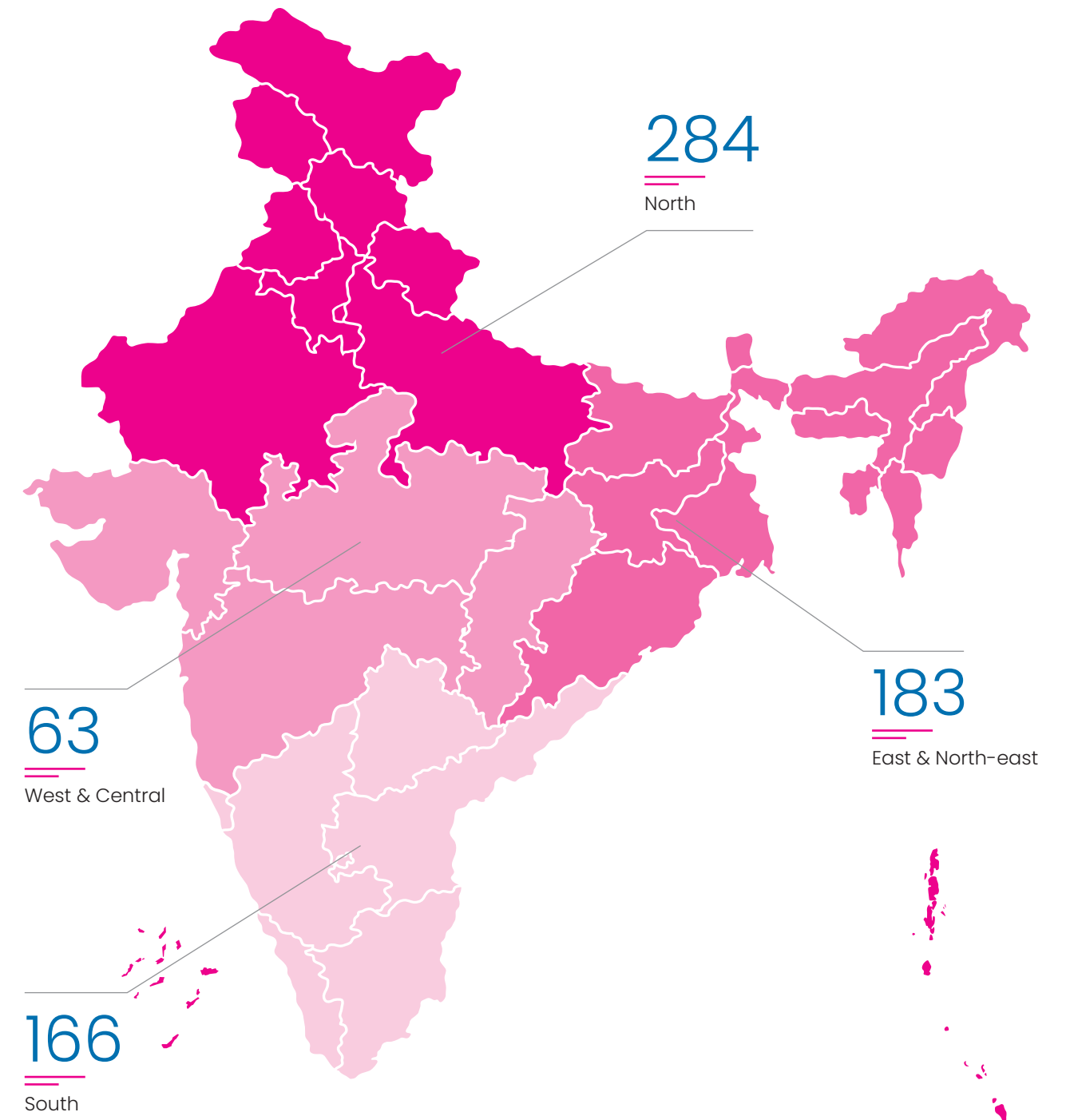


Regional Revenue Breakdown (%)



Note: The East includes the Northeast; the West includes the Central region.

Geography-wise Store Breakup

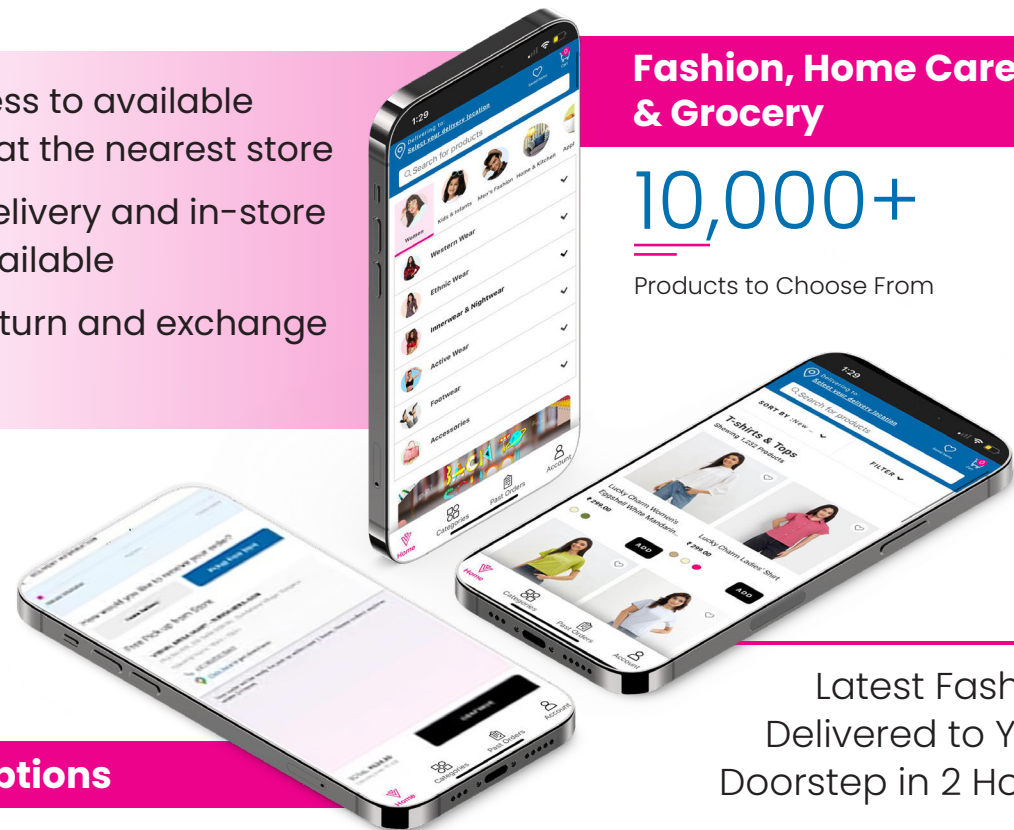


Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.

CONSISTENT PROGRESS IN HYPERLOCAL PLATFORM

We offer an omni-channel shopping experience through our website and mobile application.

- Easy access to available products at the nearest store
- Express delivery and in-store pickup available
- Flexible return and exchange policy



Delivery Options

- 2-Hour Express Delivery
- Preferred Slot Delivery
- Store Pickup

FY25 Snapshot

656

Stores with Hyperlocal Delivery

~9 million

Registered Users

429

Cities Covered

~21 million

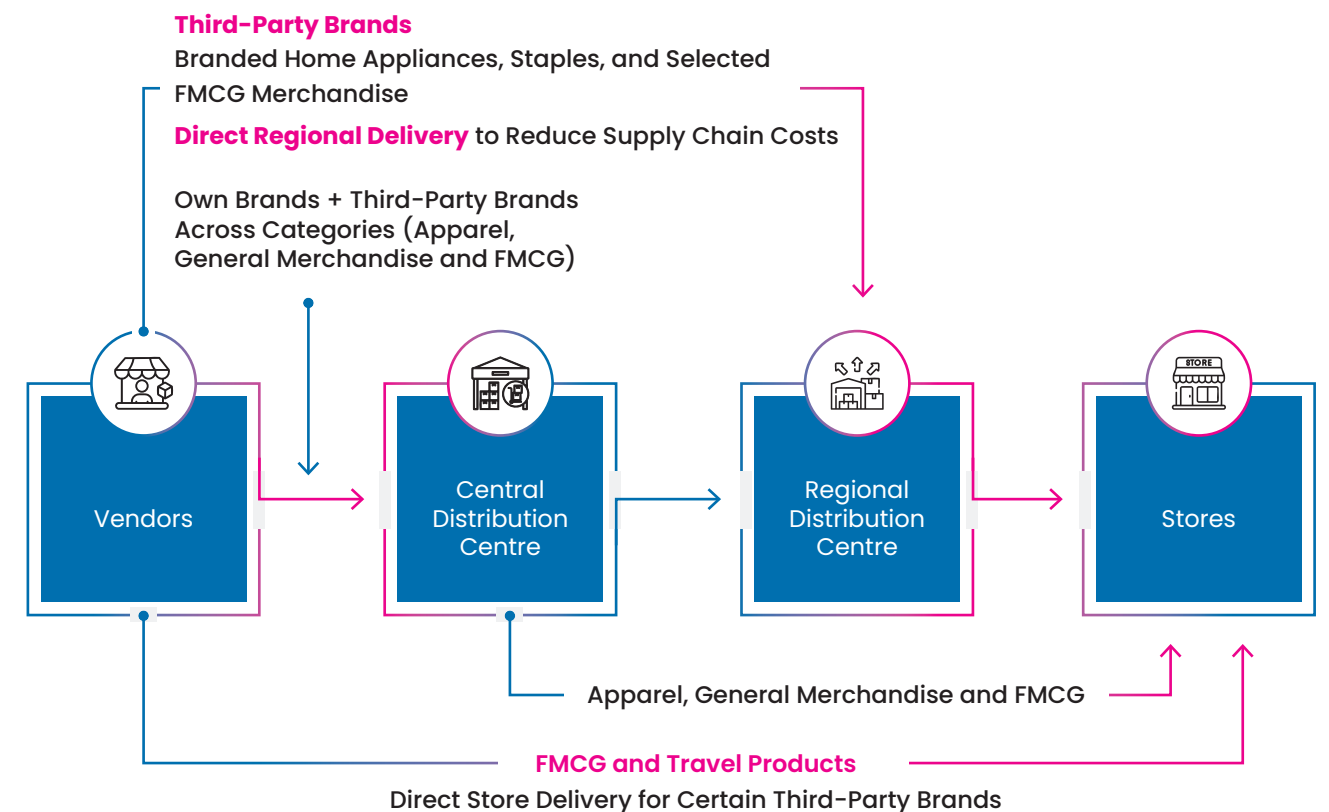
Annual Traffic

INTEGRATED, AUTOMATED AND EFFICIENT SUPPLY CHAIN

The supply chain serves as a critical enabler of our business, ensuring efficient product availability and driving value across the network.

- The Company uses a 'hub and spoke' model for efficient distribution, where centralised warehouses facilitate the movement of products.
- The Company has invested in automation, incorporating automated distribution centres equipped with put-to-light systems, sorters, and warehouse management systems. These enhancements improve efficiency, accuracy, and speed in handling and moving goods.
- The Company operates a large network of strategically located Regional Distribution Centres that serve numerous stores within a specific radius. This setup ensures swift replenishment and reduces transportation costs.

Our Supply Chain



AWARD-WINNING LOYALTY PROGRAMME WITH A GROWING CUSTOMER BASE

VMM has 145 million registered users as part of its loyalty programme, making it one of the largest customer loyalty programmes in the world.

Earn & Redeem

Customers earn ₹1 for every ₹200 spent. Points are valid for 12 months and can be redeemed as cash, offering tangible value on every purchase.

Omni-Channel Flexibility

Seamlessly earn rewards in-store and redeem them online. Your rewards go wherever you shop.

Privacy-First Approach

We respect your privacy. Only your phone number is collected—no additional personal information is required.

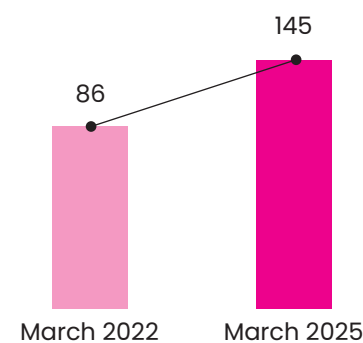
Consent-Led Enrolment

Enrolment is completely voluntary, with the freedom to opt in or out at any time.

Smarter Engagement

Our programme helps us better understand customer preferences better and deliver personalised offers that matter to them.

Large and Loyal Customer Base*



Mobile-based loyalty programme where customers can enroll to earn and redeem rewards on all purchases

Allows us to create targeted promotions that drive cross-selling and up-selling of products

Boost customer engagement and drive sales

Note: *Number of customers registered in Vishal Mega Mart's loyalty programme (in million).



Notable Awards and Accolades



International Loyalty Awards 2023



Singapore's Loyalty and Engagement Awards 2023



International Loyalty Awards 2023



Jagran Achiever Awards 2023

OUR JOURNEY SO FAR*



FY 2017

- Operated 195+ stores, offering quality products at affordable prices with a strong focus on financial discipline and sustainable growth

FY 2018

- Expanded operations in **Southern India**

FY 2020

- Crossed **350 store** count

FY 2022

- Inaugurated **500th store** and expanded reach to more than 300 cities
- Launched **e-commerce/omni-channel platform** and Vishal Mega Mart **mobile application**

FY 2023

- Reached **557 store count** and crossed **10 million sq. ft.** of retail space

FY 2024

- Inaugurated **600th store** employing **16,000+ people**; reach expanded to **nearly 400 cities**

FY 2025

- Crossed **₹ 100 billion revenue**; Pan-India presence of 696 stores employing 18,000+ people; reach expanded to over 450 cities
- Got listed on **NSE and BSE**

Note: *As of the year ending March 31 for the respective years.



LEADING THE PATH TO FULFILLING ASPIRATIONS

Dear Shareholders,

This year marks a special milestone for all of us at Vishal Mega Mart as we present our inaugural Annual Report as a publicly listed company. It is a moment of pride and responsibility, symbolising not only just how far we have come, but also the exciting journey ahead. Our success is rooted in the trust of our customers, the support of our suppliers and bankers, the guidance of our Board, and the unwavering dedication of our employees. To each of you, I extend my heartfelt gratitude. Your belief has shaped our journey and will continue to drive our growth and purpose forward.



Staying Relevant. Serving India.

FY 2024–25 was a year of solid execution and steady momentum for Vishal Mega Mart. At the heart of our efforts was a simple yet powerful commitment: to serve the aspirations of India's middle and lower-middle income households by bringing them quality products at prices they can trust. From bustling metros to emerging towns, we have sought to make value accessible across geographies.

Our stores continued to welcome steady footfalls, a reflection of the bond we have built with our customers over time. This trust is earned through a carefully curated, value-driven product mix, a familiar shopping experience, and an understanding of what truly matters to households today. Even as consumption patterns evolve at a rapid pace, our connection with customers has only deepened. We have stayed relevant by listening closely, aligning with both the everyday needs and the lifestyle aspirations of the communities we serve.

“

We have stayed relevant by listening closely, aligning with both the everyday needs and the lifestyle aspirations of the communities we serve.

”

Putting Customers First: Every Decision Starts with One Purpose

At the heart of every choice we make is a simple question: What do our customers truly want? Our merchandise strategy reflects the diverse aspirations of the communities we serve. We continue to broaden our range across all three categories, making quality products accessible at prices our customers can rely on. Thereby building trust with every transaction. Our stores are designed to feel intuitive and welcoming, creating an experience that keeps shoppers coming back.

Expanding across the Nation

We believe the future of retail in India will be written not only in Tier 1 cities but also in the vibrant towns and growing communities that are driving change at the grassroots. Our regional cluster approach strengthens logistics and supply chains, bringing organised retail closer to those who have long been underserved. This strategy allows us to expand into new territories while also deepening our presence nationwide. Thus, ensuring that value, choice, and quality are within reach for more families across India.

Driving Efficiency for Value

Our integrated supply chain ensures that the right products reach the right place at the right time. By sourcing directly, we keep costs under control without ever compromising on quality. Advanced demand forecasting and regional distribution networks give us the agility to respond quickly to changing needs. Data-driven merchandising and a personalised customer experience strengthen our bonds with the communities we serve, consistently delivering value where it matters most.

Built on Values and Driven by Integrity

At Vishal Mega Mart, we have always believed that honesty, integrity, and meritocracy form the foundation of our culture. These principles guide every decision, whether we are serving customers, working with employees, or partnering with vendors. We are committed to creating an environment where people are empowered to perform at their best and rewarded for their talent and effort. This commitment to doing the right thing the right way has helped us earn trust and build lasting relationships. This advantage continues to strengthen our growth and resilience in a dynamic retail landscape.

A Future Steeped in Purpose

As we look ahead with confidence, our purpose remains unchanged. The priorities that have shaped our journey so far continue to guide every step we take and fuel our ambition. With the trust of our customers, the strength of our teams, and the support of our partners, we are redefining what retail means in India.

Together, we are building a future where aspirations find fulfilment, where ambition earns trust, and where every household can experience lasting value and affordability.

Best Regards,

Neha Bansal
Chairperson

DRIVING CHANGE WITH COMMITMENT

Dear Shareholders,

It is with immense pride that I present our first Annual Report as a publicly listed company. It marks the beginning of a new era, one that reflects both the scale of our achievements and the limitless opportunities that lie ahead. We are grateful to celebrate this milestone with you, our valued shareholders, customers, employees, and partners, whose trust and support have made this possible.

The success of our IPO (Initial Public Offering) reflects the trust placed in us by both institutional and retail investors. This vote of confidence showcases our unique business model, compelling value proposition and our ability to execute. With this success, we are ready to step into the future as a publicly listed company, with a deepened focus on driving growth, delivering value, and creating a lasting positive impact for all our stakeholders.

Redefining Retail with Trust

Our objective is to make aspirations accessible and affordable for India's young, middle-income group customers. We strive to provide an aspirational range of high-quality fashion, general merchandise and fast moving consumer goods all under one roof, at prices that are affordable. With 696 stores across 458 cities in 28 states and 2 union territories as of March 31, 2025, we proudly serve millions of customers as a trusted destination.

Reflecting on the Past Year

FY2024-25 was a landmark year for us. We delivered strong and consistent performance across key operational and financial metrics, reaffirming the strength of our business model and the relevance of our products. In fact, our unique and differentiated private brands accounted for as much as 73% of our revenue, an improvement of 135 basis points year-on-year.

Our revenue for the financial year 2025 stood at ₹ 1,07,613 million, driven by an Adjusted Same Store Sales Growth (SSSG) of 12.3%. Gross profit grew by 23.8% to ₹30,527 million, with gross margins improving by 82 basis points over the previous year to 28.5% of revenue.

We continued to drive profitability while investing for growth. Our healthy profitability was enabled by our category mix, sustained SSSG and a strong own-brand portfolio.

EBITDA increased by 22.6% year-on-year to ₹15,302 million, translating into an EBITDA margin of 14.3%. Our Adjusted EBITDA* grew by 38.7% to ₹10,333 million, with the margin expanding by 128 basis points to 9.6%. Our Profit After Tax (PAT) came in at ₹ 6,320 million, marking 36.8% growth and a PAT margin of 5.9%. The Adjusted PAT** stood at

Note: *Adjusted EBITDA is EBITDA before ESOP charges and before IND AS 116.
**Adjusted PAT is PAT before ESOP charges.

₹ 6,761 million, a robust 45.5% increase over the previous year, with a margin of 6.3%.

During the year, we also accelerated our expansion agenda, opening 90 new stores (net 85 stores post closures) and increasing our presence to 458 cities across India. As of March 31, 2025, we operated across 12.2 million square feet, allowing us to serve a rapidly growing customer base with greater convenience and reach. Our category mix remained stable, with apparels contributing 44% to our revenues, general merchandise contributing 28% and FMCG contributing 28%. In summary, FY 2024-25 has been a year of strong financial delivery and strategic progress. We remain committed to delivering value to all stakeholders as we continue to scale responsibly, innovate boldly, and execute with discipline.

Scaling New Heights

In FY 2025-26, our priorities will be to continue expanding into new and existing areas, enhance the customer experience through digital solutions, grow and strengthen our private brands and explore new and relevant growth opportunities. Above all, we remain deeply committed to our core values of making aspirations affordable and fostering inclusivity in every aspect of our business.

With our customer-first approach, strong operational foundation, and dedication to ethical practices, we are confident that Vishal Mega Mart will continue to offer exceptional value and growth for years to come.

Closing Remarks

As we wrap up this transformative year, we look ahead to a promising future. I want to express my heartfelt gratitude to everyone who has been part of our journey: our customers, employees, suppliers, and partners. Your continued support has been instrumental in our success. I am especially thankful to our investors for their trust and confidence in us, particularly as we took the significant step of going public. Your belief in our vision inspires us every day.

We are filled with excitement for the journey ahead. With clear direction, a dedicated team, and an unyielding focus on our goals, we look forward to delivering profitable growth.

Best Regards,

Gunender Kapur
Managing Director & CEO



Our objective is to make aspirations accessible and affordable for India's young, middle-income group customers.



SERVING SOCIETY WITH PURPOSE AND IMPACT

At Vishal Mega Mart, we view business as a force for good, one that goes beyond commercial success to deliver long-term value to people. Our approach to Corporate Social Responsibility (CSR) is not an obligation, but a reflection of who we are and what we stand for.

We believe that thriving communities are the foundation of a thriving business. That's why our CSR efforts focus on driving real impact across areas that matter most: equitable access to education, sustainable environmental practices and inclusive community upliftment. Each initiative is carefully crafted to respond to real needs, promote dignity, and foster resilience among those we serve.

Guided by integrity and a sense of shared responsibility, we continue to invest in programmes that help build stronger societies and a more sustainable future for all.



Holistic Community Engagement Programmes

Our CSR initiatives are driven by a strong commitment to inclusive growth, sustainability, and community well-being. We support underprivileged children through nutritious meals and early childhood education, empower youth with access to STEM learning, and promote skill development and livelihood opportunities, especially for women and persons with disabilities. In parallel, we are advancing environmental sustainability through afforestation and by increasing urban green cover around our stores. Together, these efforts reflect our mission to build stronger communities and a more sustainable future for all.

CSR Policy and Committee

We believe real change begins when responsibility is translated into purposeful action. Our CSR policy, developed in accordance with Section 135 of the Companies Act, 2013, provides a clear framework for implementing impactful, transparent, and sustainable community development programmes.

To oversee and guide our CSR and sustainability efforts, we have established a Corporate Social Responsibility & Sustainability Committee comprising three members appointed by the Board of Directors. This Committee is responsible for driving the strategic direction, governance, and effective execution of our initiatives.

Through regular assessments and close collaboration with implementation partners, we ensure that all initiatives are aligned with our mission to create meaningful change and long-term social value.



Health and Nutrition

As part of our enduring commitment to eradicating hunger and improving child well-being, we have continued our initiative of providing nutritious mid-day meals to students in government schools. This programme has made a meaningful impact by enhancing school attendance and enrolment rates, particularly among underprivileged children.

By ensuring access to wholesome meals during formative years, we are investing in children's health, cognitive development, and academic performance. The initiative addresses critical health issues such as micro-nutrient deficiencies, anaemia, and vulnerability to infections, thereby fostering a stronger foundation for long-term growth and learning.

Moreover, the programme has played a key role in reducing dropout rates by creating a more stable, inclusive, and supportive educational environment.

Through this effort, we remain committed to building a healthier, more equitable future for the next generation.





Education and Skill Development

We believe education is key to sustainable development and social equity. Our CSR initiatives focus on expanding access to quality education for underprivileged children, starting with Early Childhood Care and Education. We support Anganwadi centres with learning kits, furniture, and resources, and train parents to strengthen early development at home.

Health check-ups, psychosocial support, and the distribution of school essentials further ensure a nurturing environment for learning. To inspire innovation, we establish STEM labs in schools, provide hands-on learning tools, and mentor students in coding and research.

Through these efforts, we strive to equip the next generation with the tools and opportunities they need to shape a more inclusive and innovative future.



Livelihood Generation and Community Empowerment

As part of our commitment to inclusive and sustainable development, we focus on improving livelihoods through community empowerment, awareness, and skill development.

We conduct targeted awareness programmes on women's rights, child protection, health, hygiene, and sanitation, empowering individuals with knowledge to make informed decisions and build resilient communities. To promote economic independence, we support the formation of self-help groups (SHGs), provide training on income-generating activities and effective parenting, and offer seed funding to initiate small businesses and community ventures.

In our ongoing effort to foster inclusive growth, we launched specialised vocational training and placement programmes for persons with disabilities (PwDs). We provide them with industry-leading training and placement opportunities in retail and allied sectors. The direct beneficiaries are persons with orthopaedic, speech and hearing impairments, slow learning, low vision, or other disabilities.

These programmes deliver job-ready skills and open up employment opportunities in the retail and allied sectors, bridging the gap between training and meaningful employment.

Together, these initiatives reflect our mission to uplift underserved communities, foster self-reliance, and create sustainable pathways for long-term social and economic development.



ENSURING ACCOUNTABILITY AT EVERY STEP

Good business begins with doing what's right. We believe in open, honest, and responsible leadership that builds trust at all levels of the organisation. By placing ethics at the heart of our decision-making, we create meaningful value for customers, communities, and investors.

Strong leadership is rooted in strong values. Our governance model is built on transparency and accountability, ensuring that every decision aligns with ethical and legal standards. Guided by a proactive approach to risk management and a deep commitment to stakeholder well-being, our Board of Directors drives a responsible, future-focussed way of conducting business. Through comprehensive policies and continuous improvement, we uphold responsible governance in our everyday actions, making it a natural part of how we operate and grow.

Governance that Drives Value

For governance to be truly effective, it must cultivate a culture where everyone feels safe, valued, and heard. We are committed to ensuring that every employee, customer, supplier and partner can speak without hesitation. Through well-structured grievance mechanisms and ethical guidelines, we address issues with fairness, honesty, and a deep commitment to the well-being of all parties.

Furthermore, trust thrives in a culture of openness, and we actively nurture this by providing confidential reporting channels. These secure avenues empower individuals to raise concerns about any potential violations of our Code of Conduct. By reinforcing transparency and accountability at every level, we strengthen the trust that underpins our relationships and drives long-term success.

Ethical Business Framework

Detailed Procedures for Ethical Conduct

Clearly defined policies and guidelines ensure every employee acts with integrity and fairness.

Responsibility for Ethical Practices Implementation

Leadership commitment to ethical governance and the seamless execution of ethical practices across the organisation.

Stakeholder Communication

Open and transparent communication channels foster trust and enable meaningful stakeholder engagement.

Monitoring and Continuous Improvement

Regular assessments of governance practices to enhance efficiency, compliance, and responsiveness.

Consequence Management for Ethical Conduct Violations

A robust framework to address violations of ethical conduct with fairness, ensuring accountability at all levels.

Key Policies and Practices

 Code of Conduct for Board of Directors & Senior Management Personnel	 Data Privacy and Protection Policy	 Board Diversity Policy
 Anti-Bribery and Anti-Corruption Policy	 Anti-Money Laundering Policy	 Whistleblower Policy
 Nomination and Remuneration Policy	 Policy on Related Party Transactions	 Corporate Social Responsibility (CSR) Policy
 Business Continuity Management Policy	 Prevention of Sexual Harassment (POSH) Policy	 Environment Policy

Anti-Bribery

We take full responsibility for maintaining ethical retail practices. Our comprehensive anti-bribery framework ensures that every transaction complies with legal standards, protecting our business and stakeholders from any improper influence.

Anti-Corruption

Integrity is a shared commitment. Every member of our ecosystem – employees, suppliers, and partners – is expected to uphold our Anti-Corruption Policy. Through continuous training and awareness, we empower our teams to make ethical choices, fostering a culture of trust and fairness that aligns with global standards.

Fair, Ethical and Transparent Practices

Retail is more than just business; it is a responsibility. We champion ethical competition and integrity-driven decision-making in everything we do. From sourcing materials to setting prices, we hold ourselves accountable to principles of fairness.



Training and Awareness

Ethical leadership begins with informed people. Vishal Mega Mart equips employees and stakeholders with the knowledge and tools to uphold our Code of Conduct through structured training programmes. These initiatives strengthen our culture of accountability, transparency, and principled decision-making.

Meetings Held in FY 2024-25

BM

15

Board Meetings

AC

7

Audit Committee

NRC

2

Nomination & Remuneration Committee

CSRS

1

Corporate Social Responsibility & Sustainability Committee

RMC

2

Risk Management Committee

SRC

1

Stakeholders' Relationship Committee

Chairperson

Member

BOARD OF DIRECTORS



NRC

SRC

AC

Neha Bansal
Chairperson & Non-Executive Independent Director



AC

NRC

RMC

CSRS

Soumya Rajan
Non-Executive Independent Director

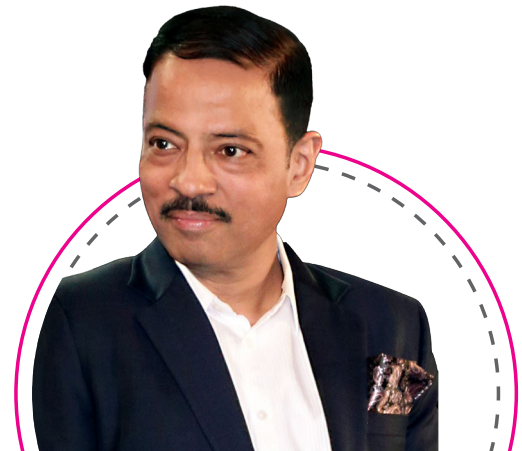


CSRS

NRC

SRC

Manas Tandon
Non-Executive Non-Independent Director



RMC

CSRS

Gunender Kapur
Managing Director & Chief Executive Officer



SRC

RMC

AC

Nishant Sharma
Non-Executive Non-Independent Director



Sanjeev Aga
Non-Executive Non-Independent Director

MANAGEMENT DISCUSSION AND ANALYSIS

India's evolving consumption landscape, driven by rising incomes, urbanisation, and a rapidly expanding middle class, presents a powerful opportunity for retail players. Vishal Mega Mart Limited (referred to as 'VMM' or 'the Company') is uniquely positioned to serve this demand as one of India's leading fashion-led retailers with 696 stores pan-India as of March 31, 2025.



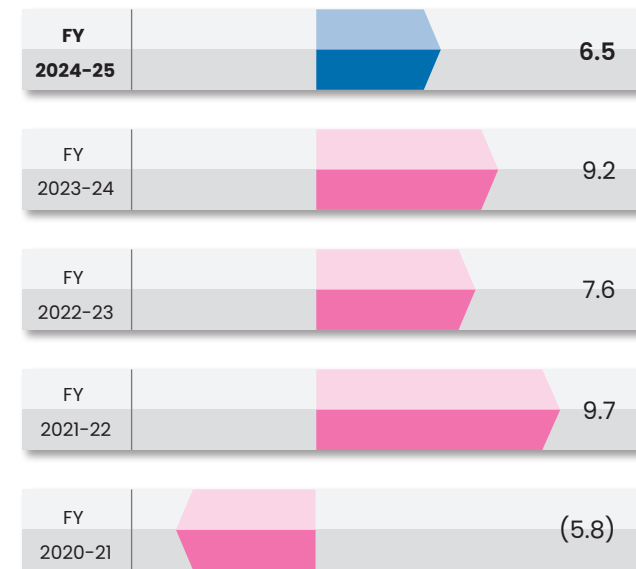
India's Growth Story Remains Promising

India continues to emerge as one of the most resilient and dynamic economies in the world. With a GDP growth of 6.5% in FY 2024-25, it retains its status as the fastest-growing major economy. This performance, achieved despite global headwinds, reflects the strength of India's domestic demand and the effectiveness of its structural growth drivers. The economy is being powered by robust customer demand, a rapidly advancing digital ecosystem, and the ambitions of a young and expanding middle class. Structural reforms, proactive government initiatives, and a vibrant private sector are collectively reshaping the economic landscape, driving higher productivity, greater inclusion, and sustained innovation.

India is undergoing a significant transformation, led by private consumption that is growing faster than the overall economy. The expanding middle income and lower-middle income segment is a key catalyst, pushing per capita GDP higher and

accelerating demand for products and services that reflect evolving aspirations. At the same time, the rapid economic growth of Tier-2 and Tier-3 cities is democratising consumption and unlocking new markets across the country.

India's GDP Growth Numbers (in %)



Outlook for 2025 and Beyond

India's economic outlook remains robust, underpinned by structural reforms, a rapidly advancing digital transformation and a steadily expanding consumption base. Supported by consistent policy measures, strategic investments and a favourable demographic profile, the country is laying a strong foundation for long-term and inclusive growth. India's macroeconomic landscape remains resilient,

driven by a strong focus on productivity, innovation, and private investment. By CY 2028, an additional 21 million households are projected to join the middle-income segment, taking the total to approximately 246 million households, or 68% of all Indian households, representing over a billion individuals. This demographic shift is expected to significantly reshape consumption patterns, boosting demand for digital services,

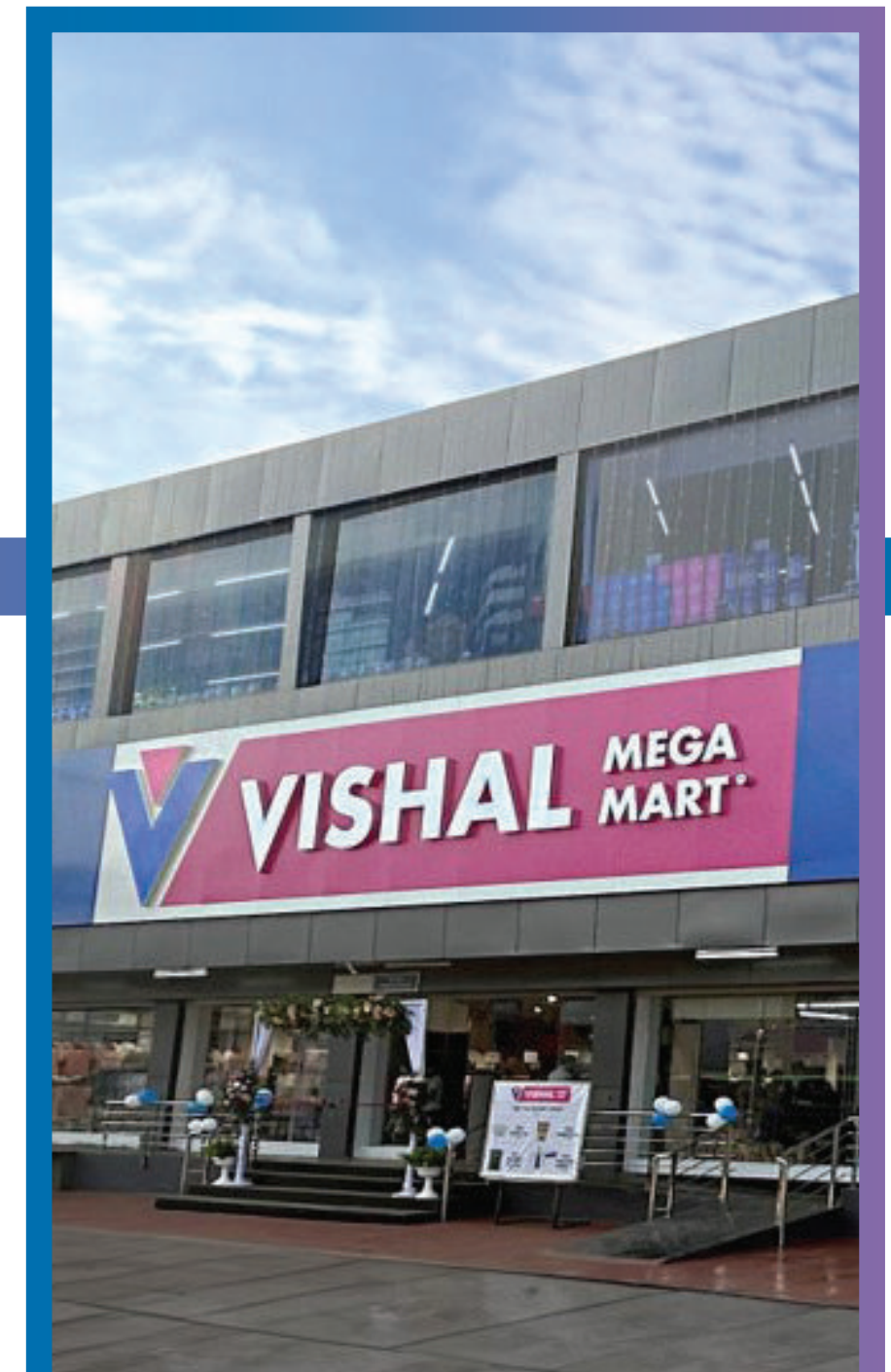
financial products, and driving growth across multiple sectors. Rural demand also remains steady, supported by healthy agricultural output and ongoing welfare initiatives. With strong fundamentals, strategic direction, and a young, dynamic population, India is well-positioned to sustain its growth momentum and emerge as a key player in the global economy.

Indian Retail Industry Overview

India's retail sector is one of the most vibrant pillars of economic growth. The retail market has demonstrated a strong post-Covid-19 recovery, reaching ₹76 trillion in CY 2023. The sector is rapidly becoming more organised and is projected to expand at a CAGR of 9% between CY 2023 and CY 2028, with the market size expected to expand to ₹116-124 trillion by CY 2028. This growth is underpinned by rising incomes, urbanisation, evolving customer preferences, and accelerating digital adoption.

The real transformation is being driven from the ground up in Tier-2 and smaller towns.

The organised retail sector in India is growing faster. This is driven by better productivity, efficient supply chains, more variety, convenience, further underpinned by rising aspirations, urbanisation and growing incomes. At the core of this evolution is the growing middle income and lower-middle income population, whose increasing incomes and lifestyle aspirations are driving a surge in discretionary spending. Today's customers are well-informed, brand-conscious, and digitally engaged. They seek not only quality products but also seamless, personalised shopping experiences.



Company Overview

Vishal Mega Mart has emerged as a preferred retail destination for India's middle and lower-middle-income households, offering a curated blend of high-quality, aspirational and affordable products. Positioned as a one-stop shop, VMM's own brands are developed to deliver high quality, superior functionality and fashionability at affordable prices. They now contribute as much as 73.1% to our revenue.

With a strong omnichannel presence spanning a nationwide network of stores, a mobile application, and a digital platform, VMM ensures the delivery of quick digital commerce benefits to our millions of customers.

As of March 31, 2025, the Company had 696 stores across India, reinforcing its position as one of the country's leading offline-first diversified retailers. Guided by a customer-first philosophy rooted in assortment, value, and everyday utility, VMM continues to deepen its connection with Indian households, driving growth through a keen understanding of evolving customer behaviour.

Strengths

01

Catering to a large and expanding section of India's population

02

Being widely recognised as the go-to retail destination for India's middle and lower-middle-income households

03

Following a customer-centric model, building a large, loyal, and growing customer base

04

Offering a curated mix of apparel, general merchandise, and FMCG products, addressing both daily essentials and aspirational needs

05

Maintaining a broad and evolving portfolio of own brands across key categories, driving differentiation and customer stickiness

06

Focussed on owning entry-level price points and making aspirations affordable, while continually moving customers to higher price points

07

Operating an extensive store network across cities and towns, ensuring strong local presence and accessibility

08

Building a seamless omni-channel ecosystem by integrating offline stores with digital platforms to enhance reach and convenience

09

Leveraging efficient supply chain and sourcing capabilities to maintain affordability and ensure operational agility

Opportunities

Unlocking significant potential to enter more cities and towns, particularly in underpenetrated regions, while also expanding in existing cities and states by opening new stores and tapping into white spaces within these markets

Expanding own-brand offerings and introducing new product categories to strengthen customer loyalty

Leveraging data analytics, AI-driven inventory management, and customer insights to enhance operational efficiency and deliver more personalised shopping experiences

Enhancing customer reach and convenience by strengthening digital channels and omni-channel engagement

Financial and Operational Performance

VMM delivered a strong financial performance in FY 2024-25, driven by strategic expansion, operational efficiency, and consistent same-store sales growth. Revenue from operations grew by approximately 20.2% to ₹ 1,07,163 million compared to ₹ 89,119 million in the previous fiscal year, supported by an Adjusted Same-Store Sales Growth of 12.3%.

EBITDA witnessed a robust increase of 22.6%, reaching ₹15,302 million, up from ₹12,486 million, reflecting disciplined cost management and improved operational execution. The EBITDA margin rose to 14.3%, from 14.0% the previous year, while the Adjusted EBITDA (pre-ESOP and pre-Ind AS 116) stood at ₹10,333

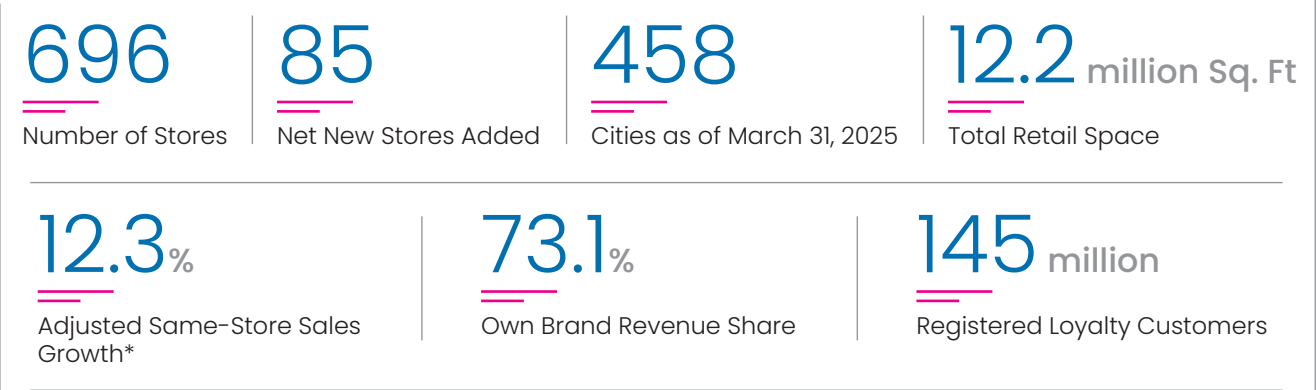
million, a 38.7% growth, representing a margin of 9.6%. Profit After Tax (PAT) surged by 36.8% to ₹ 6,320 million, up from ₹ 4,619 million in FY 2023-24, with a PAT margin of 5.9%. Adjusted PAT (excluding ESOP impact) was ₹ 6,761 million, reflecting a margin of 6.3% and an increase of 45.5% over the previous year.

Consolidated Profit and Loss Statement (₹ in million)

Profit and Loss Metrics	FY25	% to Revenue from Ops	FY24	% to Revenue from Ops	FY25 Growth %
Revenue from Operations	1,07,163		89,119		20.2
Adjusted SSSG	12.3%		13.6%		
Other Income	586		332		
Total Income	1,07,749		89,451		20.5
Cost of Goods Sold	76,636		64,461		
Gross Profit	30,527	28.5	24,659	27.7	23.8
Employee Benefit Expense	6,406		5,047		
Other Expenses	8,820		7,126		
EBITDA	15,302	14.3	12,486	14.0	22.6
Depreciation & Amortisation	5,902		5,173		
Finance Cost	1,492		1,435		
Profit Before Tax	8,493	7.9	6,210	7.0	36.8
Profit After Tax	6,320	5.9	4,619	5.2	36.8
ESOP Expense	592		35		
EBITDA (Pre-ESOP Charges)	15,894	14.8	12,521	14.0	26.9
Ind AS 116 Impact on EBITDA (Rent)	5,561		5,072		
Adjusted EBITDA (Pre-Ind AS 116 and Pre-ESOP Charges)	10,333	9.6	7,448	8.4	38.7
Adjusted Profit After Tax (Pre-ESOP Charges)	6,761	6.3	4,645	5.2	45.5

Notes: Figures have been rounded to the nearest integer or to one decimal place.

Key Highlights in FY 2024-25



Notes: *Adjusted SSSG is calculated as the growth in net revenue of all stores that have been operational for at least 15 months at the beginning of each quarter during the year, adjusted to exclude stores that are temporarily non-comparable with the base due to refurbishment, cannibalisation, area reduction, or any such event which may make them incomparable with the base.



Key Performance Indicators

Particulars	Units	For FY 2024-25	For FY 2023-24
Revenue from Operations	₹ in million	1,07,163.45	89,119.46
Profit for the Year	₹ in million	6,319.67	4,619.35
Net Cash Flow from Operating Activities	₹ in million	13,990.68	8,296.7
Sales Mix – Apparel	₹ in million	47,046.56	39,013.21
Sales Mix – Fast-Moving Consumer Goods	₹ in million	29,737.71	24,473.09
Sales Mix – General Merchandise	₹ in million	30,221.71	25,433.15
Sales Mix Contribution – Apparel	(%)	43.90	43.78
Sales Mix Contribution – Fast-Moving Consumer Goods	(%)	27.75	27.46
Sales Mix Contribution – General Merchandise	(%)	28.20	28.54
Increase in Revenue from Operations	(%)	20.25	17.48
Profit Margin	(%)	5.90	5.18
Gross Profit	₹ in million	30,527.24	24,658.93
Gross Margin	(%)	28.49	27.67
EBITDA	₹ in million	15,301.8	12,486.01
EBITDA Margin	(%)	14.28	14.01
Return on Capital Employed	(%)	53.23	68.76
Adjusted Return on Capital Employed*	(%)	67.2	70.95
Inventory Days	No. of days	56	61
Net Trade Working Capital Days**	No. of days	15	11
Adjusted Same-Store Sales Growth	(%)	12.31	13.57
Retail Space	sq. ft. million	12.16	11.01
Number of Stores	No.	696	611
Average Store Size	sq. ft.	17,474.47	18,011.56
Revenue Contribution of Own Brands	₹ in million	78,385.79	63,993.42
Revenue Contribution of Own Brands	(%)	73.15	71.81
Number of Stores in Tier-1 Cities	No.	192	187
Number of Stores in Tier-2 Cities and Beyond	No.	504	424

*Adjusted Return on Capital Employed is calculated as earnings before interest and tax adjusted by income generated from invested funds divided by capital employed adjusted for invested funds.

**Net trade working capital days is calculated as net trade working capital (calculated as the sum of inventory and trade receivables less trade payables) divided by revenue calculated on a daily basis.

Human Resources

VMM recognises that a strong Human Resources (HR) framework is key to fostering a thriving workplace. VMM's HR framework balances solid policies, diverse benefits, and a progressive approach. While significant progress has been made, the Company understands the importance of adapting to employee feedback, ensuring that its strategies evolve with the needs of the workforce. By

focussing on continuous improvement and inclusive growth, VMM remains committed to fostering an environment where both the organisation and its people can thrive.

18,029
Total Permanent Employees
as of March 31, 2025

15,571
Total Permanent Employees
as of March 31, 2024



Supply Chain

In FY 2024-25, VMM continued to strengthen its supply chain infrastructure by leveraging advanced technological systems to streamline procurement and inventory management. The Company operates on a hub-and-spoke distribution model. As of March 31, 2025, the distribution network comprised 1 central distribution centre, and various regional distribution centres strategically located in proximity to major demand centres across India. The central distribution centre in North India served as the Company's principal hub.

Risk Management

At VMM, the importance of effective risk management cannot be overstated, as it is essential to sustaining both growth and operational efficiency within the dynamic retail domain. The Company confronts certain risks, including relying entirely on third-party vendors for the manufacturing of all products under own brands, supply chain disruptions, market volatilities, and regulatory shifts and mitigates them by implementing anticipatory and well-coordinated strategies. A well-designed and coherent risk management framework provides VMM with the tools to identify potential risks, assess their impact, and develop appropriate mitigation strategies, ensuring the continuity of business operations and reinforcing organisational stability.

Risk	Mitigation
 Inflation and Economic Factors	The Company diligently monitored macroeconomic indicators to proactively adapt business strategies to changing conditions. It curated a diverse product range across price tiers to cater to varied customer budgets, while implementing strategic cost-control measures to enhance operational efficiency. These initiatives collectively strengthened resilience, optimised resources, and positioned the business to capture emerging market opportunities effectively.
 Contract Manufacturing and Third-Party Goods Dependency	The Company has built a robust, geographically diverse supplier ecosystem of contract manufacturers and third-party vendors to reduce dependence on single sources. Through rigorous vendor due diligence, strategic sourcing agreements, and stringent oversight of own-brand merchandise from design to quality checks, it ensures consistent supply, favourable terms, and adherence to brand and compliance standards, even with outsourced manufacturing.
 Geographic Revenue Concentration	The Company is strategically expanding its geographic presence by leveraging strong due diligence in existing catchments to unlock untapped potential within current states, while selectively exploring new markets. Regular market analysis and assessment of regional economic conditions enable timely responses to potential downturns, ensuring sustainable growth and a balanced regional expansion strategy aligned with long-term business objectives.
 Seasonal Sales Fluctuations	The Company ensures efficient inventory management by proactively monitoring and optimising stock levels to meet seasonal demand without overstocking. Flexible staffing strategies, including temporary hires during peak periods, enhance operational agility. Additionally, diversified product offerings with steady year-round demand help balance seasonal fluctuations, ensuring consistent sales performance and improved resource utilisation across varying market conditions.
 Intense Market Competition	The Company employs strategic pricing models with competitive entry points, a unique merchandise mix, and strong own brands for a differentiated edge. Superior service, personalised shopping, and an engaging Loyalty Programme foster long-term customer relationships. Investments in a robust e-commerce platform expand market reach, enhancing accessibility and capturing growing online demand while strengthening overall customer experience.
 Legal and Regulatory Challenges	The Company strengthened its compliance programmes by enhancing internal controls to ensure strict adherence to applicable laws and regulations. It maintained transparent communication with stakeholders on legal and regulatory matters, fostering trust and proactively managing reputational risks. These measures reinforce governance standards and safeguard the Company's integrity in an evolving regulatory and business environment.

Internal Control Systems and their Adequacy

Vishal Mega Mart has established a robust and comprehensive system of internal controls aimed at improving operational efficiency, maintaining financial integrity, and ensuring regulatory compliance. The Company has reinforced its financial control mechanisms through the adoption of standard operating procedures and the implementation of time-bound, actionable plans. These measures are periodically reviewed and strengthened based on findings from internal audits and management evaluations to maintain alignment with evolving business needs.

To enhance transparency, compliance, and risk management, the Company has also invested in advanced technological solutions that

strengthen its internal processes across operational and financial areas. An active internal audit engagement plays a critical role in assessing the effectiveness of these controls. Reporting directly to the Audit Committee of the Board, the internal auditors ensure independent oversight, with regular reviews of findings and implementation of corrective measures wherever necessary. Vishal Mega Mart has developed a detailed Risk and Controls Matrix to guide periodic assessments of its internal financial controls. These evaluations cover key areas such as segregation of duties, authorisation protocols, monitoring systems, reconciliations, and confirmations. Independent validations by external audit firms supplement the in-house review process, with

outcomes monitored and reviewed by the Audit Committee on a regular basis. As part of its efforts to modernise and streamline workforce management, the Company has partnered with Officenet to implement a cloud-based Human Resources Management System (HRMS). This platform enables more efficient handling of employee data, improved workforce planning, and enhanced data security through features such as geofencing. These initiatives reflect Vishal Mega Mart's commitment to fostering a culture of compliance, accountability, and continuous improvement across all levels of the organisation.

Cautionary Statement

This report contains statements that may include 'forward-looking' remarks within the meaning of applicable Securities Laws and Regulations. It is important to note that numerous factors could cause the actual results, performances, or achievements of our Company to be materially different from any future results, performances, or achievements. Significant factors that could impact our Company's operations include changes in domestic and international economic conditions, alterations in Government regulations, changes to the tax regime, and modifications to other statutes.

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting their Report on the business and operational performance of the Company for the financial year ended March 31, 2025 ("Year under Review"), together with the Audited Financial Statements, the Auditor's Report thereon, and other relevant statements and disclosures as required under the Companies Act, 2013 ("the Act") and applicable regulations.

1. FINANCIAL PERFORMANCE

The financial performance of your Company for the Financial Year ended on March 31, 2025 is summarised below:

(Amount in ₹ million)

Particulars	Standalone		Consolidated	
	Financial Year ended March 31, 2025	Financial Year ended March 31, 2024	Financial Year ended March 31, 2025	Financial Year ended March 31, 2024
Revenue from operations	59,466.04	62,387.92	1,07,163.45	89,119.46
Other Income	451.06	215.76	585.56	331.81
Total Income	59,917.10	62,603.68	1,07,749.01	89,451.27
Total Expenses	53,596.42	58,352.44	99,256.08	83,241.76
Profit Before Tax (PBT)	6,320.68	4,251.24	8,492.93	6,209.51
Total Tax expense	1,594.94	1,072.62	2,173.26	1,590.16
Net profit/(Loss) after tax (PAT)	4,725.74	3,178.62	6,319.67	4,619.35
Other comprehensive Income (net of taxes)	(0.08)	(0.04)	(14.99)	(14.64)
Total Comprehensive income for the year	4,725.66	3,178.58	6,304.68	4,604.71

Note: The above figures are extracted from the standalone and consolidated financial statements prepared in compliance with Indian Accounting Standards (IND AS). The Financial Statements of the Company have been complied with all aspects of Indian Accounting Standards (IND AS) notified under Section 133 of Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act.

2. OPERATING RESULTS & BUSINESS PERFORMANCE

During the year under review, the Company achieved robust growth, expanding its total store count to 696. On a consolidated basis, revenue from operations for the financial year 2024-25 stood at ₹1,07,163.45 million, reflecting a 20.25% increase over the previous year. Net profit for the financial year 2024-25 was ₹6,319.67 million, marking a growth of 36.81% compared to the previous year.

The Members are advised to refer to the separate section on Management Discussion and Analysis, which is part of this report, for a detailed understanding of operating results and business performance of the Company.

3. INITIAL PUBLIC OFFER (IPO)

During the year under review, the Company successfully completed its Initial Public Offering (IPO) through an Offer for Sale of 1,02,56,41,025 equity shares of face value ₹10 each, at an issue price of ₹78 per share (including a share premium of ₹68

per share), aggregating to ₹80,000 million. The equity shares of the Company were listed on BSE Limited and the National Stock Exchange of India Limited with effect from December 18, 2024.

The IPO received an overwhelming response from investors across all categories and was fully subscribed by the second day of bidding. By the close of the issue, the IPO was oversubscribed by approximately 28.75 times, reflecting strong investor confidence in the Company's business model and future prospects.

4. DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of Directors of the Company has adopted a Dividend Distribution Policy. The Policy outlines the parameters and factors to be considered by the Board in determining the distribution of dividend to its shareholders and is available on the Company's website and

BOARD'S REPORT (CONTD.)

can be accessed at <https://aboutvishal.com/resources/media/files/29c5ab1c-5047-4059-a05d-c3e6a6cd0f1c.pdf>.

During the year under review, the Board did not recommend any dividend. Further, no amount was required to be transferred to the Investor Education and Protection Fund for the year under review.

5. TRANSFER TO RESERVE

During the year under review, the Company did not transfer any amount to the General Reserve. For detailed information on the movement in Reserves and Surplus for the year ended March 31, 2025, shareholders are requested to refer to the 'Statement of Changes in Equity' provided in the Standalone and Consolidated Financial Statements forming part of this Annual Report.

7. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, no company became or ceased to be the subsidiary, joint venture or associate company of your Company. As at the end of the reporting period, your Company has the following wholly owned subsidiary companies namely:

Sl. No.	Name of Subsidiary	Status
1.	Airplaza Retail Holdings Private Limited	Wholly Owned Subsidiary
2.	Vishal E-Commerce Private Limited	Wholly Owned Subsidiary

The Company does not have any Associate Company or Joint Venture. The consolidated Financials of the Company will include the financials of its subsidiaries, i.e. Vishal E-Commerce Private Limited and Airplaza Retail Holdings Private Limited and financials of entities over which it exercises control i.e. Vishal Mega Mart CSR Trust.

During the year under review, Airplaza Retail Holdings Private Limited was identified as the material subsidiary of the Company as per the Listing Regulations.

Performance and Financial Position of the Subsidiary(ies)

- Airplaza Retail Holdings Private Limited (ARHPL)**, a subsidiary of the Company, is engaged in the business of, inter alia, retail trading of fast-moving consumer goods (FMCG), clothing, kitchen appliances, fabrics, and related products.

During the financial year under review, ARHPL reported revenue from operations of ₹ 1,06,708.14 million, compared to ₹ 88,242.98 million in the previous financial year.

- Vishal E-Commerce Private Limited:** The Company did not have any operation during the year under review.

6. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of your Company between the end of the financial year and date of this report.

As required under Section 134(3) of the Companies Act, 2013 ('the Act'), the Board of Directors informs the members that during the financial year, there have been no material changes, except as disclosed elsewhere in report:

- In the nature of Company's Business; and
- In the Company's Subsidiaries or in the nature of business carried out by them.

Pursuant to Section 129 (3) of the Act and Ind-AS 110 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its subsidiaries.

A statement containing the salient features of the financial statements of Subsidiaries in the prescribed format AOC-1 is attached as 'Annexure - 1' to this report. Further, the Company doesn't have any Associates and Joint Ventures, hence no information in this regard is required to be furnished.

The Policy for determining material subsidiaries is available on the Company's website and can be accessed at <https://aboutvishal.com/resources/media/files/94b6838e-0662-4935-8b39-0154b3466732.pdf>

BOARD'S REPORT (CONTD.)

In terms of provisions of Section 136 of the Act, separate audited accounts of the subsidiary Companies are available on website of the Company at <https://aboutvishal.com/>. The Company will make available physical copies of these documents upon request by any shareholder of the Company/ subsidiary(ies) interested in obtaining the same.

8. HUMAN RESOURCES

As of March 31, 2025, the Company had 18,029 permanent employees on a consolidated basis, including subsidiaries, and 503 permanent employees on a standalone basis for Vishal Mega Mart Limited. Our employees have consistently remained among the most valued stakeholders of the Company, and their contributions continue to drive our growth and success.

In accordance with the provisions of Section 197 of the Act and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the requisite disclosures relating to the remuneration of Directors and employees are provided in 'Annexure – 2' to this Report.

Pursuant to Section 136 of the Act and the applicable rules thereunder, the Annual Report and Financial Statements are being circulated to the shareholders excluding the statement containing particulars of employees' remuneration as required under Section 197 of the Companies Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Any shareholder who wishes to obtain a copy of such information may request the same by sending an email to the Company Secretary and Compliance Officer at secretarial@vishalwholesale.co.in.

9. PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public, during the year under review, within the meaning of Section 73 of the Companies Act read with the Companies (Acceptance of Deposits) Rules, 2014, and no amount of principal or interest on deposits from the public was outstanding as on the date of Balance Sheet.

10. AUDITORS

A. Statutory Auditors

M/s Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No: 001076N/ N500013) were appointed as the Statutory Auditors of the Company at the Second Annual

General Meeting ('AGM') of the Company held on October 20, 2020, for a term of 5 (Five) consecutive years, i.e., to hold office from the conclusion of the 2nd AGM till the conclusion of the 7th AGM of the Company.

The Board, on the recommendations of the Audit Committee, has recommended the re-appointment of M/s Walker Chandio & Co LLP, Chartered Accountants as Statutory Auditors of the Company for a second term of 4 (Four) consecutive years, i.e., to hold the office from conclusion of 7th AGM till the conclusion of 11th AGM of the Company.

The Company has received the consent & eligibility certificate from M/s Walker Chandio & Co LLP, Chartered Accountants under Section 139(1) and 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Auditors' Report read together with Annexures referred to in the Auditors' Report for the financial year ended March 31, 2025 does not contain any qualification, reservation, adverse remark or disclaimer.

B. Internal Auditors

The Board appointed M/s. Ernst & Young LLP as the Internal Auditors of the Company for the Financial Year 2024-25, who have conducted the internal audits periodically and shared their reports and findings with the Audit Committee and follow-up actions thereon from time to time. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening the Company's risk management policies and systems.

C. Secretarial Auditors

The Board appointed M/s Chandrasekaran Associates, Company Secretaries (Firm Registration Number: P1988DE002500) to conduct the Secretarial Audit of the Company for the Financial Year 2024-25, pursuant to the provisions of Section 204 of the Act and Rules made thereunder. The secretarial audit report annexed as 'Annexure – 3' issued by the Secretarial Auditors does not contain any qualification, reservation, observation, disclaimer or adverse remark.

BOARD'S REPORT (CONTD.)

M/s Chandrasekaran Associates, Company Secretaries (Firm Registration No.: P1988DE002500), also acted as the Secretarial Auditors of Airplaza Retail Holdings Private Limited ('Airplaza'), a material unlisted subsidiary of the Company, for the financial year under review, in compliance with Regulation 24A of the Listing Regulations.

The secretarial audit report of Airplaza annexed as 'Annexure – 4' does not contain any qualification, reservation, observation, disclaimer or adverse remark.

During the year under review, the Auditors of the Company have not reported to the Audit Committee, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

Pursuant to the provisions of Section 204 of the Companies Act and Regulation 24A of Listing Regulations, the Board of Directors, on the recommendations of the Audit Committee, in its meeting held on August 13, 2025 has recommended to the shareholders of the Company, an appointment of M/s Chandrasekaran Associates, Company Secretaries (Firm Registration Number: P1988DE002500 and Peer Review Certificate no. 6689/2025) as the

Secretarial Auditors of the Company for a first term of 5 (five) consecutive years, i.e., to hold the office from conclusion of 7th Annual General Meeting till the conclusion of 12th Annual General Meeting of the Company.

M/s Chandrasekaran Associates, Company Secretaries (Firm Registration Number: P1988DE002500), have given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if made) would be within the prescribed limits under the Act & Rules made thereunder and Listing Regulations. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and Listing Regulations.

11. CAPITAL STRUCTURE

A. Authorised Share Capital

During the year under review, the Company has not made any change in authorised share capital of the Company.

B. Issued, Subscribed and Paid Up Share Capital

The issued, subscribed and paid up share capital of the Company as on March 31, 2025 is ₹ 45,97,42,82,230/-, divided into 4,59,74,28,223 equity shares of ₹ 10/- each.

During the year under review, the Company issued & allotted 8,87,08,730 (Eight Crores Eighty Seven Lakhs Eight Thousand Seven Hundred and Thirty) Equity Shares of the Company pursuant to exercise of Employee Stock Options. Details are as follows:

Sl. No.	Date of Allotment	Brief details	Number of Equity Shares allotted
1	February 05, 2025	Allotment of Shares pursuant to exercise of options granted under Vishal Mega Mart Employees Stock Options Plan 2019	4,28,43,923
2	March 01, 2025	Allotment of Shares pursuant to exercise of options granted under Vishal Mega Mart Employees Stock Options Plan 2019	2,56,64,807
3	March 19, 2025	Allotment of Shares pursuant to exercise of options granted under Vishal Mega Mart Employees Stock Options Plan 2019	2,02,00,000
Total Shares allotted during the Financial Year 2024-25			8,87,08,730

BOARD'S REPORT (CONTD.)

The movement of the issued, subscribed and paid-up share capital of the Company during the financial year is as follows:

	(Amount in ₹)
Issued, Subscribed and Paid-up Share Capital	Equity Share Capital
At the beginning of the year i.e., as on April 01, 2024	45,08,71,94,930
Issuance of 8,87,08,730 Equity Shares pursuant to exercise of options granted under Vishal Mega Mart Employees Stock Options Plan 2019 (as above)	88,70,87,300
At the end of year i.e. as on March 31, 2025	45,97,42,82,230

C. Equity Shares with differential Voting rights and Sweat Equity Shares

During the year under review, the Company has neither issued the equity shares with differential voting rights nor issued sweat equity shares in terms of the Act.

D. Listing on the Stock Exchanges

During the financial year under review, the Company was converted from a Private Limited Company to a Public Limited Company. Pursuant to the conversion, the name of the Company was changed from "Vishal Mega Mart Private Limited" to "Vishal Mega Mart Limited". A fresh Certificate of Incorporation reflecting the change was issued by the Central Processing Centre of Registrar of Companies, NCT of Delhi and Haryana on May 10, 2024.

Subsequently, the Equity Shares of the Company were listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") with effect from December 18, 2024.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Appointment/Re-appointment of Director(s)/Key Managerial Personnel

During the financial year under review, the following directors have been appointed/re-appointed or resigned on or from the Board of the Company, in accordance with the provisions of the Act and Listing Regulations (including any amendments, modifications or re-enactments thereof for the time being in force):

- Ms. Soumya Rajan (DIN: 03579199) was appointed as an Additional Director in the category of Non-Executive, Independent Director of the Company w.e.f. May 31, 2024. The members of the Company approved the appointment of Ms. Soumya Rajan as Non-Executive, Independent Director in its Extra-Ordinary General Meeting held on June 28, 2024;

- Mr. Rohit Jindal (DIN:10592502) was appointed as an Additional Director in the category of Executive, Non-Independent Director and further designated as Chief Executive Officer of the Company with effect from April 01, 2024 and Managing Director with effect from April 15, 2024. He subsequently resigned from his position on June 24, 2024;
- Designation of Mr. Gunender Kapur (DIN: 01927304) was changed from Director to Managing Director and Chief Executive Officer of the Company w.e.f. June 27, 2024;
- Mr. John Thomson Wyatt (DIN: 08395951) resigned from his position as a Director of the Company with effect from July 03, 2024;
- Mr. Walter Heinz Keller (DIN:08397830) resigned from his position as Director of the Company, effective July 03, 2024;
- The Board of Directors unanimously appointed Ms. Neha Bansal (DIN: 02057007), Non-Executive Independent Director, as the Chairperson of the Company, effective July 04, 2024;
- The members of the Company approved the re-appointment of Mr. Manas Tandon (DIN: 05254602) as Non-Executive Non-Independent Director, director liable to retire by rotation in terms of Section 152(6) and Section 152(7) of the Act, in its Annual General Meeting held on August 28, 2024.
- Ms. Richa Agarwal resigned from the position as Company Secretary, effective April 23, 2024; and
- Mr. Rahul Luthra appointed as Company Secretary of the Company w.e.f. April 24, 2024.

Further, in terms of Rule 8(5)(iii)(a) of the Companies (Accounts) Rules, 2014 and in the opinion of the Board, the above mentioned appointment of Ms. Soumya Rajan as a Non-Executive Independent Director was made after

BOARD'S REPORT (CONTD.)

due veracity of her integrity, skill, expertise and experience (including the proficiency) and fulfils the conditions specified in the Act and under Listing Regulations.

B. Director liable to Retire by Rotation

Pursuant to Section 152 and other applicable provisions of the Act, read with the Articles of Association of the Company, one-third of the Directors, as are liable to retire by rotation, shall retire every year and, if eligible, may offer themselves for reappointment at every Annual General Meeting ("AGM"). Accordingly, one of the Directors, other than an Independent Director or Managing Director, would be liable to retire by rotation at the ensuing AGM.

Mr. Nishant Sharma, Non-executive Non-Independent Director of the Company, is liable to retire by rotation at the ensuing AGM and, being eligible, offers himself for re-appointment. The Board of Directors of the Company, on the recommendations of NRC, recommends his re-appointment for consideration by the members of the Company at the ensuing AGM.

A brief profile, expertise of Director and other details as required under the Act, Regulation 36 of the Listing Regulations and Secretarial Standard - 2 notified by Ministry of Corporate Affairs related to the Director proposed to be reappointed is annexed to the Notice convening the 7th AGM.

The details of Directors and Key Managerial Personnel ('KMPs') of the Company have been disclosed in the Corporate Governance Report forming an integral part of this Report.

C. Meetings of the Board of Directors

During the Financial Year 2024-25, Fifteen (15) board meetings were held. The maximum interval between any two meetings did not exceed 120 days. The details of the meetings of the Board of Directors and its Committees are given in the Corporate Governance Report, which forms an integral part of this Report.

D. Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Act, the Independent Directors of the Company have given their declarations to the Company that they meet the criteria of independence as provided under Section 149(6) of the Act read along with

Rules framed thereunder and Regulation 16(1) (b) & 25(8) of the Listing Regulations and are not disqualified from continuing as an Independent Director of the Company.

Further, in compliance with Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs (IICA).

Based on the disclosures received, the Board is of the opinion that, all the Independent Directors fulfil the conditions specified in the Act and Listing Regulations and are independent of the management.

E. Independent Directors Meeting

As stipulated under Section 149(8) read with Schedule IV of the Companies Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on March 17, 2025, without the attendance of Non-Independent Directors and members of the management, to review the performance of the Non-Independent Directors, various committees of the Board and the Board as a whole. The Independent Directors also reviewed the quality, content, and timeliness of the flow of information from the management to the Board and its committees which is necessary to perform reasonably and discharge their duties. The Independent Directors expressed their satisfaction with the overall performance of the Board and the Company.

F. Board Diversity

The Company recognises the critical importance of a diverse Board in driving sustainable growth and maintaining a competitive edge in a dynamic and evolving market. We believe that a Board comprising individuals with varied backgrounds, perspectives, skills, and experiences—spanning regional, cultural, and industry-specific domains—enhances the quality of decision-making and strategic oversight.

Our Board brings together expertise in key areas such as Retail Operations, Supply Chain Management, Consumer Behavior, Marketing Strategy, Corporate Governance, Technology in Retail Innovation, and People Management. This diversity equips the Board to effectively respond to market shifts, anticipate customer needs, and foster innovation. We are also proud to have two Independent Woman Directors on the Board,

BOARD'S REPORT (CONTD.)

reflecting our commitment to inclusive and balanced leadership.

In accordance with Regulation 19 and Part D of Schedule II to the Listing Regulations, the Company has formulated a Board Diversity Policy, which has been duly approved by the Nomination and Remuneration Committee of the Board.

The Board Diversity Policy is available on the Company's website and can be accessed at: <https://aboutvishal.com/resources/media/files/33b69e76-4a20-4ca4-b985-2967eae02c4b.pdf>.

G. Familiarisation Programme for Independent Directors

The Company familiarises the Independent Directors with the organization, their roles, rights and responsibilities, nature of the industry in which the Company operates, business model of the Company, etc., through various Programme(s) at periodic intervals.

As a part of the ongoing familiarisation process of the Company, Independent Directors were apprised, during and/or after quarterly Board Meetings, by the Managing Director & Chief Executive Officer and/or Chief Financial Officer and/or other officials of the Company, about the Company's operations, market scenario, governance, internal control processes and other relevant matters including strategy, important developments and new initiatives undertaken by the Company.

Additionally, during the quarterly Board Meetings, the Senior Management Personnel made presentations to the Directors on relevant topics, including business performance, market trends, internal controls, changes in regulatory framework, and developments in the business environment having an impact on the Company.

The details of familiarisation Programme have been posted on the website of the Company and the same may be viewed at <https://aboutvishal.com/resources/media/files/beb6aba4-933c-4bc0-bdda-a780b91bd334.pdf>.

13. COMMITTEES OF THE BOARD

The Company has several committees, which have been established as part of best corporate governance practices and in compliance with the requirements of the relevant provisions of applicable laws and statutes. The Committees and their Composition as on March 31, 2025 are as follows:

Details of Committee Memberships and Chairpersonships							
Name of Director	Designation/Category	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Risk Management Committee	Corporate Social Responsibility & Sustainability Committee	Securities Allotment Committee
Neha Bansal	Non-Executive Independent Director	Member	Member	Member	-	-	-
Soumya Rajan	Non-Executive Independent Director	Chairperson	Chairperson	-	Member	Member	-
Gunender Kapur	Managing Director & CEO	-	-	-	Chairperson	Member	Member
Manas Tandon	Non-Executive Non-Independent Director	-	Member	Member	-	Chairperson	Member
Nishant Sharma	Non-Executive Non-Independent Director	Member	-	Chairperson	Member	-	Chairperson
Sanjeev Aga	Non-Executive Non-Independent Director	-	-	-	-	-	-

Further, during the year under review, the Initial Public Offer (IPO) Committee was dissolved w.e.f. January 31, 2025.

The terms of reference, meetings and attendance of Committees have been disclosed in the Corporate Governance Report forming an integral part of this Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

BOARD'S REPORT (CONTD.)

14. CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

The Company believes in the philosophy of transforming businesses and lives through our constant efforts and actions for empowering societies. With a mission to achieve long-term socio-economic development of the communities, the Company has focused its Corporate Social Responsibility ('CSR') initiatives on programs that bring sustainable change in the areas of education, enhancement of livelihood, health & nutrition and environment. Being a responsible corporate citizen, our initiatives are focused at delivering maximum value to the society, under the CSR initiatives.

The Company constituted Corporate Social Responsibility Committee in accordance with the provisions of the Act. During the Financial Year 2024-25, to ensure sustainability being observed at Board level, the Board of Directors expanded the scope of the Committee and renamed the same as 'Corporate Social Responsibility & Sustainability Committee'.

In accordance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR Rules'), the Company has formulated the CSR Policy which is annexed herewith as 'Annexure - 5' and the same can be accessed on the Company's website at <https://aboutvishal.com/resources/media/files/6dde471b-b7b3-48c1-a9f2-40135d514f15.pdf>.

In terms of Section 135 of the Act read with Rule 8 of the CSR Rules as amended, the Annual Report on CSR Activities undertaken by the Company during the Financial Year 2024-25 is annexed herewith as 'Annexure - 6' to this Report.

15. EVALUATION OF THE BOARD'S PERFORMANCE

In accordance with the applicable provisions of the Act and the Listing Regulations, the Board of Directors, in consultation with the Nomination and Remuneration Committee, has formulated a framework for evaluating the performance of the Board, its Committees, and individual Directors, including Independent Directors. This framework outlines, inter alia, the criteria for such evaluations.

The annual performance evaluation of the Board as a whole, its Committees, and individual Directors was conducted in accordance with the said framework. The detailed process and methodology of the evaluation, including the assessment of Independent Directors, have been disclosed in the Corporate Governance

Report, which forms an integral part of this Annual Report.

The Board expressed its satisfaction with the overall evaluation process.

16. NOMINATION AND REMUNERATION POLICY

During the year under review, the Company has formulated and adopted the Nomination and Remuneration Policy ('NRC Policy') in accordance with the provisions of the Companies Act read with the Rules issued thereunder and the Listing Regulations.

The salient features of the NRC Policy are as follows:

- To formulate the criteria for determining qualification, competencies, positive attributes and independence for appointment of Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and recommend to the Board, policies relating to the remuneration for the Directors, Key Managerial Personnel, Senior Management and other employees;
- To lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management;
- To ensure that the remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals; and
- To specify the manner for effective evaluation of performance of Board, its committees and individual directors and review its implementation and compliance.

The NRC Policy of the Company can also be accessed on the Company's website at <https://aboutvishal.com/resources/media/files/a9fc7426-597e-48c9-b991-7cfdda0fdb1.pdf>.

17. CORPORATE GOVERNANCE REPORT

Your Company always places a major emphasis on managing its affairs with diligence, transparency, responsibility and accountability. The Company continues to focus on building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of

BOARD'S REPORT (CONTD.)

good corporate governance viz. integrity, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values.

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Practicing Company Secretaries conforming compliance to the conditions of Corporate Governance as stipulated under Regulation 34(3) and Schedule V of the Listing Regulations, is also annexed to the Corporate Governance Report which forms part of this Report as 'Annexure - 7'.

18. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has in place a robust Vigil Mechanism and a Whistle Blower Policy in accordance with provisions of the Companies Act and Listing Regulations, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. In terms of the Whistle Blower Policy, no employee of the Company has been denied access to the Chairperson of the Audit Committee of the Board. The Whistle Blower Policy is available on Company's Intranet along with other policies for easy access and information of Employees. It can also be accessed at the Company's website at <https://aboutvishal.com/resources/media/files/7ef2f51f-d3c8-40b2-9814-d3570febd069.pdf>.

19. INTERNAL FINANCIAL CONTROLS

The Company's internal control systems are supplemented by an extensive internal audit program conducted by an independent professional agency. The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements and for maintaining accountability of assets. During the year, such controls were tested and no reportable material weaknesses in controls were observed.

20. RISK MANAGEMENT

Risk Management is an integral and important component of Corporate Governance. If risks are not properly managed and controlled, they can affect the Company's ability to attain its objectives. The Board

of Directors of the Company has constituted Risk Management Committee which assists the Board in monitoring and reviewing the risk management plan, implementation of the risk management framework of the Company and such other functions as Board may deem fit. Pursuant to Section 134(3) of the Act, the Company has in place, an effective risk management framework, which is governed at the highest level by the Board. The Risk Management Policy identifies elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

A detailed section on Risk Management is provided in the Management Discussion and Analysis Report forming an integral part of the Annual Report.

21. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of Investments made during the financial year under the provisions of Section 186 of the Companies Act, 2013, have been disclosed in Note No. 5A to the Standalone Financial Statements forming an integral part of the Annual Report.

Additionally, the Company has invested the surplus funds available in the units of mutual funds, debt securities, equity ETFs/index funds, units of infrastructure investment trusts etc., the details of which have been disclosed in Note No. 5B to the Standalone Financial Statements forming an integral part of the Annual Report.

During the Financial Year 2024-25, the Company has not given any loan or provided any guarantees pursuant to Section 186 of the Act.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Pursuant to Section 134(3)(h) of the Act, all the contracts, arrangements and transactions with the related parties as entered by the Company during the financial year under review were on arm's length basis and in the ordinary course of business and were approved by the Audit Committee. The Board of Directors of the Company had laid down the criteria for granting the omnibus approval by the Audit Committee, in line with the Company's Policy on materiality of Related Party Transactions and dealing with Related Party Transactions ('RPT Policy').

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section

BOARD'S REPORT (CONTD.)

188 of the Act in the prescribed Form AOC-2 are given in **Annexure - 8**. The statement showing the disclosure of Related Party Transactions have been disclosed in Note No. 34 to the Standalone Financial statements forming an integral part of this Annual Report.

The RPT Policy can be accessed at the Company's website at <https://aboutvishal.com/resources/media/files/863b07e0-2633-4e70-95f1-dcc08329df33.pdf>.

23. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, your Directors, to the best of their knowledge and belief and according to the information & explanations obtained by them, confirm that:

- in the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2025 and of the profit and loss of the Company for the period ended on that date;
- the Directors had taken proper and sufficient care for 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 fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors 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
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. EXTRACTS OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, the Annual Return referred to in Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, for the financial year ended March 31, 2025 is available

on the Company's website at <https://aboutvishal.com/?content=AnnualReturn&id=27>.

25. PREVENTION OF SEXUAL HARASSMENT

Your Company is fully committed to uphold and maintain the dignity of women working in the Company and has zero tolerance towards any actions which may fall under the ambit of sexual harassment at workplace. An Internal Committee ('IC') under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') has been constituted to redress the complaints received regarding sexual harassment and it presently comprises of four (4) members out of which three (3) members are women as on the date of this report.

The Company has adopted a Policy for Prevention of Sexual Harassment of Women at Workplace. Periodic sessions were also conducted to apprise employees and build awareness on the subject matter.

The disclosure with respect to complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as follows:

Sl. No.	Particulars	Details
1.	number of complaints of sexual harassment received in the year	1
2.	number of complaints disposed off during the year	1
3.	number of cases pending for more than ninety days	Nil

26. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Company believes that it can only be successful in the long term by creating value both for its shareholders and for society. Your Company is mindful of the needs of the communities and works to make a positive difference and create maximum value for the society.

Business Responsibility and Sustainability Report ('BRSR') for the Financial Year 2024-25 describing the initiatives taken by the Company from an Environment, Social and Governance perspective as stipulated under Regulation 34(2)(f) of the Listing Regulations is annexed herewith as 'Annexure - 9' to this report.

Further, as per the new reporting requirements, the Company had taken reasonable assurance of the BRSR Core from GT Bharat LLP (third-party Independent Assurance provider) and the same is annexed herewith as 'Annexure - 10' to the report.

BOARD'S REPORT (CONTD.)

27. EMPLOYEE STOCK OPTION PLAN

The Company, pursuant to the resolutions dated January 10, 2019 passed by our Board and Shareholders, respectively, has adopted the Vishal Mega Mart Employees Stock Options Plan 2019 (Formerly known as Rishanth Employee Stock Option Plan 2019), which is in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI ESOP Regulations").

The objectives of the Vishal Mega Mart Employees Stock Options Plan 2019 ('ESOP 2019') are, to, inter alia (a) drive performance of the Company, (b) align employee interest with shareholder interest, (c) retention of employees and (d) wealth creation for employees.

Post Initial Public Offer of equity shares of the Company, ESOP 2019 has been ratified and amended in line with SEBI ESOP Regulations, by the members

of the Company through Postal Ballot on February 19, 2025. The details as required to be disclosed under Regulation 14 of SEBI ESOP Regulations are available on the website of the Company at <https://aboutvishal.com/?content=KeyDocuments&id=7>.

The details of the Employee Stock Options as per Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 is attached as 'Annexure – 11' to this Report.

The Company has also obtained certificates from the Secretarial Auditors confirming that 'ESOP 2019' has been implemented in accordance with the SEBI ESOP Regulations. The said certificates will be made available for inspection by the members electronically during the AGM of the Company or any shareholder who wishes to obtain a copy of certificate may request the same by sending an email to the Company Secretary and Compliance Officer at secretarial@vishalwholesale.co.in.

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as 'Annexure – 12' to this Report.

29. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

The details of the proceedings initiated/pending against the Company under the Insolvency and Bankruptcy Code, 2016 and their respective status are as follows:

Sl. No.	Forum	Opposing Party	Facts/Status
1	NCLT, Chandigarh Bench	MA Sales Corporation	An application was filed by MA Sales Corporation as an Operational creditor to initiate Corporate Insolvency Resolution Process ("CIRP") under Section 9 of IBC Act, 2016 read with Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 in respect of non-clearance of pending invoices towards supply of units/goods to VMPL. Total amount due (as per monthly invoices) towards the sale of units/goods as at July 05, 2021 against VMPL was alleged to be ₹ 2,58,85,226.35/- (Rupees Two Crore Fifty-Eight Lakhs Eighty-Five Thousand Two Hundred Twenty-Six and Thirty-Five Paise Only) including interest @18% per annum, amounting to ₹ 54,60,723.35/- (Rupees Fifty-Four Lakhs Sixty Thousand Seven Hundred Twenty-Three and Thirty-Five Paise). During the proceedings, the Company paid an amount of ₹ 2,04,24,503/- to MA Sales and filed another application u/r 11 of NCLT Rules for rejection of Application. On May 09, 2024, Hon'ble NCLT Chandigarh dismissed the petition filed by MA Sales on the ground that the principle amount stands paid and CIRP can't be initiated on the interest component.

BOARD'S REPORT (CONTD.)

Sl. No.	Forum	Opposing Party	Facts/Status
2	NCLT, Chandigarh Bench	Search Pharma Private Limited	Search Pharma Private Limited and Vishal Retail Limited ('VRL') entered into lease Agreement for the warehouse that after the transition of the business of VRL, TPG Wholesale Pvt. Ltd. ('TWPL') executed a fresh Lease Agreement dated 1st September, 2011 with the Lessor which was in effect till 31.07.2012. Even as per the fresh Lease Deed there was no liability on TWPL to pay the Service Tax. The fresh Lease Agreement was terminated by TWPL vide its termination notice dated 21.02.2012 and as per the Termination Notice the tenancy of the premises was to end on 31.03.2012. That after the expiry of the notice period both the parties executed a possession handover letter dated 31.03.2012 and it was clearly mentioned in the said letter that no amount whatsoever is outstanding against TWPL. Thereafter, Search Pharma sent a Legal Notice dated 13.01.2014 issued to both VRL and TWPL demanding the payment of Service Tax. The said Legal Notice was duly replied by TWPL vide letter dated 21.03.2014 refuting all the allegations levelled by Search Pharma. Claim/relief: demanding an amount of ₹ 23,09,667/- towards service tax along with an interest @ 18% per annum. The matter is now listed on August 22, 2025.

30. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) specified by the Institute of Company Secretaries of India.

31. CREDIT RATING

The Company's credit ratings by India Ratings and Research is as below:

Particulars	India Ratings and Research (Name of Credit Rating Agency)
Fund-based working capital Limits	AA/Positive/A1+
Issuer Rating	AA/Positive
Non-Fund Based Working Capital Limits	A1+

32. OTHER DISCLOSURES

Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions for the same during the year under review:

- Maintenance of cost records as per sub-Section (1) of Section 148 of the Companies Act, 2013;
- The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof;
- Revision of the financial statements pertaining to previous financial periods during the financial year under review;
- Receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director or the Whole-Time Director of the Company;
- Non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;

BOARD'S REPORT (CONTD.)

- F. Significant or material orders passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future; and
- G. Material changes and/or commitments that could affect the Company's financial position, which have occurred between the end of the financial year of the Company and the date of this report.

During the year, the provisions of the Maternity Benefit Act, 1961 including amendments thereto were applicable to the Company and have been duly complied with.

33. ACKNOWLEDGEMENT

Your Directors take this opportunity to thank and acknowledge with gratitude, the contributions made by the employees through their hard work, dedication, competence, commitment and co-operation towards

the success of your Company and have been core to our existence that helped us to face all challenges.

Your Directors are also thankful for consistent co-operation and assistance received from its shareholders, investors, business associates, customers, vendors, bankers, regulatory and government authorities and showing their confidence in the Company.

By order of the Board
For **Vishal Mega Mart Limited**

Gunender Kapur
Managing Director &
Chief Executive Officer
DIN: 01927304

Date: August 13, 2025
Place: Gurugram

Nishant Sharma
Non-Executive
Non-Independent Director
DIN: 03117012

Date: August 13, 2025
Place: Gurugram

ANNEXURE - 1

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on March 31, 2025.

Part "A": Subsidiaries

(Amount in ₹ Million)			
1.	Name of Subsidiaries	Airplaza Retail Holdings Private Limited	Vishal E- Commerce Private Limited
2.	The date since when subsidiary was acquired	July 24, 2020	May 18, 2020
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Company	Same as of Holding Company
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees	Indian Rupees
5.	Share capital	100.10	10.00
6.	Reserves & surplus	1,586.09	(9.86)
7.	Total assets (including investments)	45,642.91	0.14
8.	Total Liabilities (other than equity)	43,956.72	-
9.	Investments	-	-
10.	Turnover (excluding other income)	1,06,708.14	-
11.	Profit/Loss before taxation	1,937.18	-
12.	Provision for taxation	510.77	-
13.	Profit after taxation	1,426.41	-
14.	Proposed Dividend	-	-
15.	% of Shareholding	100.00%	100.00%

Names of the subsidiaries, which are yet to commence operations - Not applicable

Names of subsidiaries, which have been liquidated or sold during the year: Nil

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to the Associate Companies & Joint Ventures as on March 31, 2025:

Part "B": Associates and Joint Ventures

Note: The Company does not have any Associate/Joint Venture Company as on March 31, 2025.

Names of the associate or joint ventures, which are yet to commence operations – NIL

Names of the associate or joint ventures, which have been liquidated or sold during the year – NIL

By Order of the Board
Vishal Mega Mart Limited

Gunender Kapur
Managing Director
& CEO
DIN: 01927304

Date: April 29, 2025
Place: Gurugram

Nishant Sharma
Non-executive Director
DIN: 03117012

Amit Gupta
Chief Financial Officer

Rahul Luthra
Company Secretary
Membership No. F9588

ANNEXURE - 2

Details of Remuneration Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- A. Ratio of the remuneration of each Director to the Median remuneration of the employees of the Company and Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year:

Name of the Director/KMP	Designation	% increase of remuneration in Financial Year 2024-25	Ratio of Remuneration of each Director to median Remuneration of employees
Ms. Neha Bansal	Chairperson & Non-Executive Independent Director	16.67%	4.80
Ms. Soumya Rajan (w.e.f. May 31, 2024)	Non-Executive Independent Director	-	4.80
Mr. Gunender Kapur	Managing Director & Chief Executive Officer	No Change	223.92
Mr. Manas Tandon	Non-Executive Non-Independent Director	-	-
Mr. Nishant Sharma	Non-Executive Non-Independent Director	-	-
Mr. Sanjeev Aga	Non-Executive Non-Independent Director	-	-
Mr. Amit Gupta	Chief Financial Officer	2.19%	44.03
Mr. Rahul Luthra	Company Secretary & Compliance Officer	8.98%	8.09

*Remuneration comprises salary, performance linked annual bonus, allowances, Company's contribution to provident fund, taxable value of perquisites and excludes perquisites on exercise of ESOPs.

- B. The percentage increase in the Median remuneration of employees other than managerial personnel in the Financial Year 2024-25 was 19.01%. For calculation of median remuneration percentage increase, the employee count taken is 444 which comprises employees who have served for the whole of the Financial Year 2024-25.
- C. As of March 31, 2025, the Company had 18,029 permanent employees on a consolidated basis, including subsidiaries, and 503 permanent employees on a standalone basis for Vishal Mega Mart Limited.
- D. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 17.97% whereas the increase in the managerial remuneration was 3.72%. The Increase in remuneration are as per the policy of the Company.

It is hereby affirmed that the remuneration is as per Nomination & Remuneration Policy of the Company.

ANNEXURE - 3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

To,

The Members,

Vishal Mega Mart Limited

(formerly known as Vishal Mega Mart Private Limited)

Plot No. 184, Fifth Floor, Platinum Tower Udyog Vihar, Phase-1

Gurugram Haryana 122016 India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited) (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 ("**Period under Review**") according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - Not applicable during the period under review.**
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

ANNEXURE - 3 (CONTD.)

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not applicable during the period under review**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **Not applicable during the period under review.**
- (vi) The Management has confirmed that there is no other specific law applicable to the Company in respect of this audit report.
We have also examined compliance with the applicable clause of the following:
 - a) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
 - b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as mentioned below:-

Based on recommendation of Nomination and Remuneration Committee and approval of the Board, Mr. Gunender Kapur was designated as Managing Director and Chief Executive Officer of the Company w.e.f. June 27, 2024 and his appointment and monetary compensation was approved by the shareholders in its extra ordinary general meeting held on June 28, 2024. During the period under review, Mr. Kapur was paid the monetary remuneration within the limit as approved by the Shareholders' and he also exercised the vested Employee Stock Options (ESOPs) as granted to him from time to time and pursuant to that equity shares were allotted by the Company to him in the month of February, 2025 and March, 2025, which resulted in the perquisites in hands of Mr. Kapur for the FY 2024-25.

Pursuant to exercise of ESOPs, the overall remuneration including monetary compensation and the ESOP perquisites value for the FY 2024-25 exceeded the limits approved by the shareholders and as stipulated under Section 197 of the Act.

As confirmed by the Management, the Company will obtain the necessary approval from the shareholders of the Company for such perquisites in the ensuing Annual General Meeting for the same.

We further report that,

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review the following major specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- (i) During the period under review, the status of Company was changed from 'Private Limited' to 'Public Limited' and by virtue of which the name of the Company was changed from 'Vishal Mega Mart Private Limited' to 'Vishal Mega Mart Limited' w.e.f. May 10, 2024.

ANNEXURE - 3 (CONTD.)

- (ii) During the period under review, the Company has listed its equity shares on the BSE Limited and National Stock Exchange of India Limited on December 18, 2024.
- (iii) During the period under review, the Shareholders of the Company through Postal Ballot on February 19, 2025 passed the following resolutions:
 - a. Amendments and ratification of the Vishal Mega Mart Employees Stock Options Plan 2019;
 - b. Ratification of the extension of benefits under Vishal Mega Mart Employees Stock Options Plan 2019 to the eligible employees of subsidiary company(ies) of Vishal Mega Mart Limited.

For **Chandrasekaran Associates**
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.: 6689/2025

Lakhan Gupta
Partner

Membership No: F12682
Certificate of Practice No: 26704
UDIN: F012682G000642047

Date: June 21, 2025
Place: Delhi

Note:

- (i) This report is to be read with our letter of even date which is annexed as Annexure-A to this report and forms an integral part of this report.

ANNEXURE - A

To,

The Members,

Vishal Mega Mart Limited

(formerly Vishal Mega Mart Private Limited)

Plot No. 184, Fifth Floor, Platinum Tower Udyog Vihar, Phase-1

Gurugram Haryana 122016 India

Auditor's responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for which we relied on the report of statutory auditor.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 6689/2025

Lakhan Gupta

Partner

Membership No: F12682

Certificate of Practice No: 26704

UDIN: F012682G000642047

Date: June 21, 2025

Place: Delhi

ANNEXURE - 4

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

To,

The Members,

Airplaza Retail Holdings Private Limited

Plot No. 184, Fifth Floor,

Platinum Tower, Udyog Vihar,

Phase-1, Gurgaon, Haryana 122016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Airplaza Retail Holdings Private Limited (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 ('**the Act**') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder; **Not applicable during the period under review.**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not applicable during the period under review.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'): **Not applicable during the period under review.**
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) The Management has confirmed, to the best of its knowledge that there is no other specific law applicable on the Company in respect of this audit report.

ANNEXURE - 4 (CONTD.)

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

- Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance (except in cases where meetings were convened at a shorter notice). The Company has complied with the provisions of Act for convening meeting at the shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review there were no major specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 5715/2024

Roopa Agrawal

Partner

Membership No. A25656

Certificate of Practice No. 11037

UDIN: A025656G000218673

Date: 29 April, 2025

Place: Delhi

Notes:

- This report is to be read with our letter of even date which is annexed as Annexure-A to this report and forms an integral part of this report.
- This Report is limited to the Statutory Compliances on laws/regulations/guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to financial year ended March 31, 2025.

ANNEXURE - A

To,

The Members,

Airplaza Retail Holdings Private Limited

Plot No. 184, Fifth Floor,

Platinum Tower, Udyog Vihar,

Phase-1, Gurgaon, Haryana 122016

Our Report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 5715/2024

Roopa Agrawal

Partner

Membership No. A25656

Certificate of Practice No. 11037

UDIN: A025656G000218673

Date: 29 April, 2025

Place: Delhi

ANNEXURE - 5

Corporate Social Responsibility (CSR) Policy

1. CSR Purpose Statement

- 1.1 This Corporate Social Responsibility policy of Vishal Mega Mart Limited (Formerly known as Vishal Mega Mart Private Limited) is designed to describe the guidelines and procedures for the Company for carrying out Corporate Social Responsibility operations in line with provisions such as Section 134 and 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

2. Definitions:

- 2.1 "Company" means Vishal Mega Mart Limited.
- 2.2 "Act" means the Companies Act, 2013 and includes Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other applicable rules and any statutory modifications, re-enactment thereof.
- 2.3 "Board" means the Board of Directors of the Company.
- 2.4 "CSR Committee" means the Corporate Social Responsibility & Sustainability Committee constituted under the provisions of the Act.
- 2.5 "Net Profit/Profit" refers to the average net profits of the Company, calculated in the manner as provided under the Act.
- 2.6 "Policy" means this Policy on Corporate Social Responsibility ("CSR").
- 2.7 "Annual Action Plan" means the document with details about approved CSR projects, prepared as per the Act.

Any other terms used but not defined in this Policy shall have the meaning given to them under the Act or any other applicable rules, guidelines and regulations prescribed thereunder.

3. CSR Activities:

The Company shall undertake such CSR activities as are recommended by the CSR Committee of the Board in line with this Policy and shall include but not limited to the following activities, areas or subjects specified in Schedule VII of the Act:

- Eradicating hunger, poverty and malnutrition, promoting health care.
- Promoting education, including special education and employment enhancing vocation skills.
- Promoting gender equality, empowering women and undertaking measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry etc.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development.
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development projects.
- Slum area development ('slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force); and
- Such other activity as may be decided by the Board of Directors of the company.

ANNEXURE - 5 (CONTD.)

4. Thrust areas

- 4.1 Thrust areas of the Company shall belong to following broad areas, synergetic to the broader areas that the Schedule VII of the Companies Act, 2013 has defined or will define from time to time.

- Education
- Employment enhancing vocational skills for employability
- Health
- Environmental Initiatives
- Agricultural Initiatives
- Water and Sanitation
- Art and Cultural Initiatives

Following are the thrust areas currently identified by the Company from the above broad areas. CSR Committee will update the target areas and the projects and programmes every year and suggest changes following consent from the Board.

- Promotion of education, vocational training (including livelihood enhancing) for the economically weaker/ underprivileged sections of the society, supplying farmers; to enhance their livelihood economically.
 - Promotion of health care (including preventive health care).
 - Socio economic and rural development and relief and welfare activities of underserved sections of the society.
 - Environmental awareness and protection activities in the locations where the Company has its operations, to develop a sustainable ecosystem.
 - Promoting renewable sources of energy, reducing carbon footprint for all supply chain partners and the Company's operations.
 - Disaster Relief:
 - Extending relief measures during times of natural disasters, anywhere in the country.
 - Undertaking and supporting rehabilitation measures post disasters.
 - Promoting sports and related training and infrastructure activities.
- 4.2 CSR activities shall be undertaken as projects or programs or activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.
- 4.3 There could be suitable modification to this list of Thrust areas of the Company from time to time as may be deemed fit by the CSR Committee of the Company.

5. Modalities of implementation

- 5.1 The Company will undertake its CSR activities either directly as projects or programs or activities (either new or ongoing) or through a Registered Trust or Registered Society or through a company established by the Company under Section 8 of the Act.
- 5.2 The Company may also collaborate with other companies, like minded government, corporate, academic institutions, organisations, NGOs for undertaking CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the Act.
- 5.3 The Board in consultation with CSR Committee shall decide the criteria for selection of eligible projects/partners for its CSR activities around Company's Registered Office, Distribution Centres, Stores operated by Company's franchisee(s).
- 5.4 The Company may also directly undertake initiatives through its employees located at the Company's Registered Office, Distribution Centres, Vishal Mega Mart Stores and employees of its franchisee partners.

ANNEXURE - 5 (CONTD.)

5.5 If the Company decides to set up a Trust or Section 8 Company or Society or Foundation or any other form of entity operating within India to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:

- i) The Company will need to specify the projects/programmes to be undertaken by such an organisation, for utilising funds provided by it.
- ii) The Company shall set up a monitoring mechanism to ensure that the allocated fund is spent for the specified purposes only.

6. Administration

6.1 The approval of the CSR policy will be the responsibility of the Company's Board of Directors.

6.2 CSR Committee:

- i) The Board of Directors shall constitute a CSR Committee in line with the provisions of Companies (Corporate Social Responsibility) Rules, 2014 who shall guide on CSR strategy and implementation.
- ii) The CSR Committee shall operate under the supervision/guidance of the Board of Directors.

6.3 CSR Committee shall formulate and recommend to the Board, an 'Annual Action Plan' prepared in line with the requirements of the Act. The CSR committee could also recommend alteration to the 'Annual Action Plan' to the Board, at any time during the financial year, based on the reasonable justification to that effect.

6.4 Board may alter the 'Annual Action Plan' at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

6.5 The CSR Committee will be responsible for review of this policy from time to time and also for monitoring that the CSR activities of the Company are implemented in line with the Act and rules made thereunder.

6.6 The Committee will meet to measure the CSR progress, through well-defined Key Performance Indicators and feedback received from various stakeholders, to review and evaluate the sustainability agenda, suggest modifications and discuss and recommend action plan to take the CSR activities forward. The same will also be discussed in the subsequent meeting of the Board of Directors.

6.7 CSR Committee will monitor the spend on CSR activities by the Company as well as ensure that the Company spends at least the minimum sum as may be prescribed under Act.

6.8 Transparent Monitoring Mechanism

- i) The CSR Committee will design a transparent monitoring mechanism for ensuring implementation of the projects/programs/activities proposed to be undertaken by the Company.
- ii) The CSR Committee will have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the power to call any employee/ external consultant or such other person(s) for purpose of accomplishment of overall CSR objectives laid down under the Act.

6.9 Monitoring

- i) Appropriate documentation of annual CSR activities, reports on execution by CSR Partner(s) and CSR expenditure will be undertaken on a regular basis and the same will be made available to the Board of Directors of the Company.
- ii) Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
- iii) The CSR Committee will conduct, or cause to do so, due diligence checks on the current projects/partners on a need basis and report anomalies, if any, immediately.
- iv) Based on analysis of current projects, carry out planning exercise for allocation of budget and selection of projects.

ANNEXURE - 5 (CONTD.)

7. CSR Spend

7.1 The Company shall endeavour to spend in every financial year not less than the minimum amount specified in the Act towards fulfilling its CSR.

7.2 The CSR Committee will recommend the amount of expenditure to be incurred on CSR activities.

7.3 All reasonable efforts will be made to ensure that the annual CSR allocation is fully utilised in the respective year. However, if the Company is unable to spend such amount, the Board of Directors shall, in their report under clause (o) of sub- section (3) of section 134 of the Act, state the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

7.4 Any amount which remains unspent in a financial year and is pursuant to an ongoing project, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account called as the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

7.5 If the company spends an amount in excess of the requirements provided the act, such excess amount shall be set off against the requirement to spend under the act for succeeding financial years.

7.6 The Company will give preference to the local area and areas around which it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

8. Reporting to Shareholders

CSR Committee shall review the reporting requirements under the Act to be included in the Board's report. Such report shall be disseminated to the shareholders in such format manner as may be prescribed under the Act.

9. Frequency of Meetings

The meetings of the Committee could be held at such periodic intervals as may be required.

10. Quorum

Minimum two (2) members shall constitute a quorum for the Committee meeting.

11. Chairperson

In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

12. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

13. Minutes of the Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairperson of the Committee and tabled at the subsequent Board and Committee meeting.

14. Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of the CSR committee can amend this policy, as and when deemed fit. Any or all provisions of this CSR policy are subject to the applicable provisions of the Companies Act, 2013 and any subsequent amendments thereof from time to time.

15. Statutory Amendments

Any amendments in provisions of the Act relating to CSR shall be deemed to be incorporated in this policy and the CSR Committee will be authorised to do all necessary acts to give effect to such changes.

In case of any inconsistency between any clause(s) of this Policy and provision(s) of the Act, the provision(s) of the Act shall prevail to the extent of such inconsistency.

ANNEXURE - 6

Annual Report on Corporate Social Responsibility (CSR) Activities

Pursuant to The Companies (Corporate Social Responsibility Policy) Rules, 2014

- 1) **Brief outline on CSR Policy of the Company, including overview of projects/ programmes undertaken:** Vishal Mega Mart Limited is committed to conduct its business in a socially responsible, ethical and environment friendly manner and to continuously work towards improving quality of life of the communities in its operational areas. During the year, the company conducted its business activities to the extent beneficial to society, environment, Government and to continuously work towards improving quality of life of the communities in its operational areas.

- 2) **Composition of Corporate Social Responsibility and Sustainability Committee:**

Sl. no.	Name of Director	Nature of Directorship	Number of meetings of Corporate Social Responsibility and Sustainability Committee held during the year	Number of meetings of Corporate Social Responsibility and Sustainability Committee attended during the year
1	Mr. Manas Tandon	Non-Executive Non-Independent Director (Chairperson)	1	1
2	Mr. Gunender Kapur	Managing Director & CEO (Member)	1	1
3	Ms. Soumya Rajan	Non-Executive Independent Director (Member)	1	1

"During the year, the Board of Directors, at its meeting held on July 04, 2024, reconstituted the Committee to include Ms. Soumya Rajan in place of Mr. Nishant Sharma."

- 3) **Provide the web-link where Composition of Corporate Social Responsibility and Sustainability Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** <https://www.aboutvishal.com/>
- 4) **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8:** Not Applicable
- 5) (a) **Average net profit of the company as per section 135(5):** ₹ 3,37,76,67,797.84
(b) **Two percent of average net profit of the company as per section 135(5):** ₹ 6,75,53,356
(c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL
(d) **Amount required to be set off for the financial year, if any:** NIL
(e) **Total CSR obligation for the financial year [(b)+(c) -(d)]:** ₹ 6,75,53,356
- 6) (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 3,24,60,202
(b) **Amount spent in Administrative Overheads:** NIL
(c) **Amount spent on Impact Assessment, if applicable:** Not Applicable
(d) **Total amount spent for the Financial Year [(a)+(b) +(c)]:** ₹ 1,21,00,000
(e) **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
1,21,00,000	5,54,53,356	April 22, 2025	-	-	-

ANNEXURE - 6 (CONTD.)

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

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	6,75,53,356
(ii)	Total amount spent for the Financial Year	1,21,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	N/A

- 7) **Details of Unspent CSR amount for the preceding three financial years:**

1	2	3	4	5	6	7	8
Sl No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹).	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹).	Date of transfer	
1	2022-23	1,24,47,500	84,77,104	84,77,104	N/A	Nil	Nil
2	2023-24	2,51,00,000	2,51,00,000	1,18,83,187	The remaining amount is related to an ongoing project i.e. Project Education & Enhancement of Livelihood 2.0. Hence, does not require to be transferred to any fund provided under Schedule VII to the Companies Act		1,32,16,813
							Nil

- 8) **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No
- 9) **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:** N.A.

By order of the Board
For **Vishal Mega Mart Limited**

Gunender Kapur
Managing Director & Chief Executive Officer
DIN: 01927304

Manas Tandon
Chairman of CSR Committee
DIN: 05254602

Date: August 13, 2025
Place: Gurugram

Date: August 13, 2025
Place: Gurugram

ANNEXURE - 7

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read with Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forming part of the Board's Report for the year ended March 31, 2025]

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At Vishal Mega Mart (VMM), Corporate Governance embodies the effective management of the organisation's activities in alignment with value-accretive policies for all stakeholders. The Management is deeply committed to fostering a governance philosophy rooted in accountability, transparency, and responsibility—principles integral to the Company's day-to-day operations.

VMM's governance philosophy is focused on establishing and practicing a robust system of Corporate Governance to ensure the efficient and transparent management of its business across all facets of operations and stakeholder interactions. In adherence to the principles of good governance, the Company consistently upholds fair and ethical business practices while maintaining transparency in all its dealings.

The Company remains committed to continuously reviewing, enhancing, and upgrading its systems and processes, fostering transparency and efficiency across its diverse business segments. As part of its Corporate Governance measures, VMM ensures transparency in financial reporting and consistently keeps stakeholders informed about its policies, performance, and developments.

Striving to adopt global best practices in Corporate Governance, VMM remains vigilant to evolving industry standards and regulatory requirements. The Company's governance framework is led by a strong and independent Board of Directors, supported by a dedicated management team and a workforce committed to upholding the highest standards of integrity, ethics, and professionalism.

BOARD OF DIRECTORS

The Board of Directors provide strategic leadership and oversight to the Company's Management while effectively discharging its fiduciary responsibilities. It sets and reviews the Company's business objectives, evaluates management's strategic plans, and monitors overall performance to ensure long-term value creation. The Company is committed to upholding the highest standards of Corporate Governance and believes that a well-informed, actively engaged, and independent Board is essential to promoting transparency, accountability, and objectivity in decision-making.

The composition of the Board is in full compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing

Regulations") and the applicable provisions of the Companies Act, 2013 ("Act"), as amended from time to time. The Board comprises an optimal mix of Executive and Non-Executive Directors, including Woman Directors, with an Independent Director serving as the Chairperson, thereby ensuring balanced and effective governance.

As of March 31, 2025, the Board comprises of six (6) Directors, including:

- One (1) Executive Director
- Two (2) Non-Executive Independent Directors (Woman Directors)
- Three (3) Non-Executive Non-Independent Directors

In accordance with the provisions of Sections 149, 152, 161, and other applicable provisions of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17 of the Listing Regulations, as amended or re-enacted from time to time, the Company has appointed Ms. Neha Bansal (DIN: 02057007) and Ms. Soumya Rajan (DIN: 03579199) as Independent Woman Directors on the Board.

Appointment/Re-appointment on the Board of Directors during the financial year 2024-25 are as follows:

1. Ms. Soumya Rajan (DIN: 03579199) was appointed as an Additional Director in the category of Non-Executive, Independent Director of the Company w.e.f. May 31, 2024. The members of the Company approved the appointment of Ms. Soumya Rajan as Non-Executive, Independent Director in its Extra-Ordinary General Meeting held on June 28, 2024;
2. Mr. Rohit Jindal (DIN:10592502) was appointed as an Additional Director in the category of Executive, Non-Independent Director and further designated as Chief Executive Officer of the Company with effect from April 01, 2024 and Managing Director with effect from April 15, 2024. He subsequently resigned from his position on June 24, 2024;
3. Designation of Mr. Gunender Kapur (DIN: 01927304) was changed from Director to Managing Director and Chief Executive Officer of the Company w.e.f. June 27, 2024;
4. Mr. John Thomson Wyatt (DIN: 08395951) resigned from his position as a Director of the Company with effect from July 03, 2024;
5. Mr. Walter Heinz Keller (DIN:08397830) resigned from his position as Director of the Company, effective July 03, 2024;

REPORT ON CORPORATE GOVERNANCE (CONTD.)

6. The Board of Directors unanimously appointed Ms. Neha Bansal (DIN: 02057007), Non-Executive Independent Director, as the Chairperson of the Company, effective July 04, 2024; and
7. The members of the Company approved the re-appointment of Mr. Manas Tandon (DIN: 05254602) as Non-Executive Non-Independent Director, director liable to retire by rotation in terms of Section 152(6) and Section 152(7) of the Act, in its Annual General Meeting held on August 28, 2024.

The Company has in place a succession plan for the Board of Directors and Senior Management of the Company.

Composition of Board of Directors as on March 31, 2025

S. No.	Name of Director	Position & Category	Age	*No of Equity Shares (As on March 31, 2025)
1.	Ms. Neha Bansal	Non-Executive Independent Director & Chairperson	43	Nil
2.	Mr. Gunender Kapur	Managing Director & CEO (Executive Director)	64	4,73,00,000
3.	Mr. Manas Tandon	Non-Executive Non-Independent Director	48	Nil
4.	Mr. Nishant Sharma	Non-Executive Non-Independent Director	47	Nil
5.	Mr. Sanjeev Aga	Non-Executive Non-Independent Director	73	Nil
6.	Ms. Soumya Rajan	Non-Executive Independent Director	55	Nil

*No Convertible Instruments were issued to Non-Executive Directors as on March 31, 2025.

This composition ensures compliance with statutory requirements and reflects the Company's commitment to good corporate governance practices.

During the Financial Year 2024-25, 15 (Fifteen) Board meetings were held on April 24, 2024, May 16, 2024, June 27, 2024, July 04, 2024, July 10, 2024, July 29, 2024, August 28, 2024, October 11, 2024, October 17, 2024, November 06, 2024, November 19, 2024, December 04, 2024, December 13, 2024, January 31, 2025 and February 20, 2025.

Details of Attendance and Directorship/Committee Memberships/Chairpersonships of Board of Directors of the Company:

S. No.	Name of Director	Designation & Category	Attendance Particulars			Other Directorships*		Committee Memberships/Chairpersonships#	
			No. of Board Meetings		Last AGM Held on August 28, 2024	Number of other Directorships	Name of the listed entity and Category of Directorship	Committee Memberships	Committee Chairpersonships
			No. of Meetings entitled to attend	Attended					
1.	Ms. Neha Bansal	Non-Executive Independent Director & Chairperson	15	13	Yes	1	-	2	-
2.	Mr. Gunender Kapur	Managing Director & CEO (Executive Director)	15	13	Yes	1	-	-	-
3.	Mr. Manas Tandon	Non-Executive Non-Independent Director	15	10	Yes	2	Aavas Financiers Limited (Non-Executive - Nominee Director)##	1	-
4.	Mr. Nishant Sharma	Non-Executive Non-Independent Director	15	12	Yes	2	Aavas Financiers Limited (Non-Executive - Nominee Director)##	2	1

REPORT ON CORPORATE GOVERNANCE (CONTD.)

S. No.	Name of Director	Designation & Category	Attendance Particulars			Other Directorships*		Committee Memberships/Chairpersonships#	
			No. of Board Meetings		Last AGM Held on August 28, 2024	Number of other Directorships	Name of the listed entity and Category of Directorship	Committee Memberships	Committee Chairpersonships
			No. of Meetings entitled to attend	Attended					
5.	Mr. Sanjeev Aga	Non-Executive Non-Independent Director	15	14	Yes	4	- LTIMindtree Limited (Independent Director), - Larsen and Toubro Limited (Independent Director) - Pidilite Industries Limited*** (Independent Director)	3	2
6.	Ms. Soumya Rajan	Non-Executive Independent Director	13	11	Yes	2	Aavas Financiers Limited (Non-Executive - Independent Director)	2	1
7.	Mr. Rohit Jindal**	Managing Director & CEO (Executive Director)	2	2	NA	-	-	-	-
8.	Mr. John Thomson Wyatt**	Non-Executive Non-Independent Director	3	3	NA	-	-	-	-
9.	Mr. Walter Heinz Keller**	Non-Executive Non-Independent Director	3	2	NA	-	-	-	-

*The above list of other directorships includes Public Companies (listed and unlisted) and directorship of Vishal Mega Mart Limited but does not include Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

#It includes Chairpersonship or Membership of the Audit Committee and Stakeholders' Relationship Committee of Public Companies (listed and unlisted) only including Vishal Mega Mart Limited.

**Mr. Rohit Jindal, Mr. John Thomson Wyatt and Mr. Walter Heinz Keller resigned from the Company w.e.f June 24, 2024, July 03, 2024 and July 03, 2024 respectively.

***The term of Mr. Sanjeev Aga as Independent Director in Pidilite Industries Limited ended on March 31, 2025.

##Mr. Manas Tandon and Mr. Nishant Sharma ceased to be directors on the Board of Aavas Financiers Limited w.e.f June 30, 2025.

None of the Directors of the Company are related to each other.

None of the Directors on the Board serve as Director or Independent Director in more than seven listed companies. Further, there are no Directors on the Board of the Company, who serve as Whole-time Director/Managing Director with any other listed Company. No Director is a member of more than ten Committees or acts as the Chairperson of more than five Committees across all companies in which he or she is a Director.

The Company has obtained the Certificate from M/s Chandrasekaran Associates, Company Secretaries (Firm Registration Number: P1988DE002500) that none of the Directors on the Board of the Company has been debarred or disqualified for being appointed or continuing as directors of the Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The Certificate is attached as **Annexure - I**.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

The Board of Directors is of the opinion that all Independent Directors of the Company fulfill the conditions of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of the Listing Regulations and hereby confirm that they are independent from the management.

Relationships between Directors inter-se

There are no inter-se relationship between the Directors of the Company.

Skills/Expertise/Competence of Board of Directors

a) Following chart sets out the core skills/expertise/competencies fundamental identified by the board of directors for the effective functioning of the Company which are currently available with the Board:



b) Following are the names of Directors who have such skills/expertise/competence:

S. No.	Skills/Expertise/Competence	Name of Directors			
1.	Expertise and knowledge in the field of Information Technology, Telecom, Database and Digitalisation and Business Environment	a)	Mr. Gunender Kapur	d)	Mr. Nishant Sharma
		b)	Ms. Neha Bansal	e)	Mr. Sanjeev Aga
		c)	Mr. Manas Tandon	f)	Ms. Soumya Rajan
2.	Expertise and knowledge in the field of Finance, Taxation, Compliance and Corporate Governance	a)	Mr. Gunender Kapur	d)	Mr. Nishant Sharma
		b)	Ms. Neha Bansal	e)	Mr. Sanjeev Aga
		c)	Mr. Manas Tandon	f)	Ms. Soumya Rajan
3.	Knowledge of Interpersonal Skills and Human Resource Management	a)	Mr. Gunender Kapur	d)	Mr. Nishant Sharma
		b)	Ms. Neha Bansal	e)	Mr. Sanjeev Aga
		c)	Mr. Manas Tandon	f)	Ms. Soumya Rajan
4.	Knowledge of Sales, Marketing, Corporate Strategy and Planning	a)	Mr. Gunender Kapur	d)	Mr. Nishant Sharma
		b)	Ms. Neha Bansal	e)	Mr. Sanjeev Aga
		c)	Mr. Manas Tandon	f)	Ms. Soumya Rajan

Independent Directors Meeting

As stipulated under Section 149(8) read with Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on March 17, 2025, without the attendance of Non-Independent Directors and members of the management, to review the performance of the Non-Independent Directors, various committees of the Board and the Board as a whole. The Independent Directors also reviewed the quality, content, and timeliness of the flow of information from the management to the Board and its committees which is necessary to perform reasonably and discharge their duties. The Independent Directors expressed their satisfaction with the overall performance of the Board and the Company.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Confirmation in respect of Independence

The Board of Directors of the Company hereby confirm that in the opinion of Board, the Independent Directors of the Company fulfil the conditions specified in the Companies Act and the Listing Regulations and are independent of the management.

Detailed reason of resignation of Independent Directors

During the year, none of the Independent Directors of the Company have resigned from the Directorship of the Company.

Familiarisation Programme for Independent Directors

In accordance with Section 149 read with Schedule IV of the Companies Act and Regulation 25 of the Listing Regulations, the Company familiarises its Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The Company has put in place a system to familiarise the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

As a part of the ongoing familiarisation process of the Company, Independent Directors were apprised, during and/or after quarterly Board Meetings, by the Managing Director and Chief Executive Officer about the operations of the Company, market scenario, governance, internal control processes and other relevant matters including strategy, important developments and new initiatives undertaken by the Company.

Additionally, during the quarterly Board Meetings, the Senior Management Personnel made presentations to the Directors on relevant topics, including business performance, market trends, internal controls, changes in regulatory framework, and developments in the business environment having an impact on the Company.

The details of familiarisation programme have been posted on the website of the Company and the same may be viewed at <https://aboutvishal.com/resources/media/files/beb6aba4-933c-4bc0-bdda-a780b91bd334.pdf>.

COMMITTEES OF THE BOARD

1. Audit Committee

The Company has a duly constituted Audit Committee, as per the requirements stated in Regulation 18 of the Listing Regulations and Section 177 of the Companies Act. The terms of reference of the Audit Committee includes the matters specified under Regulation 18 and Part C of Schedule II to the Listing Regulations and Section 177 of the Companies Act, as amended from time to time, and other matters referred by Board. The

Audit Committee oversees the work carried out in the financial reporting process by the Management, the Internal Auditors and Independent Auditors.

a) Terms of reference:

1. oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors including the internal auditor, cost auditor and statutory auditor of the Company and the fixation of audit fee;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing with the management, the annual financial statements and the auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by the management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions; and
 - vii. modified opinion(s) in the draft audit report.
5. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutional placement, and making appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. to review the functioning of the whistle blower mechanism;
18. Monitoring the end use of funds through public offers and related matters;

19. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision; and
21. Identification of list of key performance indicators and related disclosures in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, for the purpose of the Company's proposed initial public offering;
22. carrying out any other function as is mentioned in the terms of reference of the audit committee or as required as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI ICDR Regulations, each as amended and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties; and
23. to carry out such other functions as may be specifically referred to the Audit Committee by the Board and/or other committees of Directors of the Company.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. management letters/letters of internal control weaknesses issued by the statutory auditors;
3. internal audit reports relating to internal control weaknesses; and
4. the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
5. statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency,

REPORT ON CORPORATE GOVERNANCE (CONTD.)

if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations, as amended.

- ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations, as amended.
6. Such information as may be prescribed under the Companies Act, and the rules thereunder, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended.

c) Meetings and attendance during the year:

During the period under review, Seven (7) meetings were held i.e. on May 16, 2024, July 09, 2024, August 28, 2024, October 11, 2024, November 19, 2024, December 04, 2024 and January 31, 2025. The attendance of members was as follows:

S. No.	Name	Designation	Category	No. of meetings entitled to attend during the year	Attendance
1.	Ms. Soumya Rajan	Chairperson	Non-Executive Independent Director	6	5
2.	Ms. Neha Bansal	Member	Non-Executive Independent Director	6	4
3.	Mr. Nishant Sharma	Member	Non-Executive Non-Independent Director	6	6
4.	Mr. John Thomson Wyatt*	Chairman	Non-Executive Non-Independent Director	1	1
5.	Mr. Gunender Kapur*	Member	Managing Director & CEO(Executive Director)	1	1
6.	Mr. Sanjeev Aga*	Member	Non-Executive Non-Independent Director	1	1

*Mr. John Thomson Wyatt, Mr. Gunender Kapur and Mr. Sanjeev Aga ceased to be a member of the Committee w.e.f July 04, 2024. Accordingly, in accordance with the provisions of the Companies Act, 2013, and the applicable Listing Regulations, the Audit Committee was reconstituted on July 04, 2024 and Ms. Soumya Rajan, Ms. Neha Bansal, and Mr. Nishant Sharma were appointed as members of the Committee.

As per Regulation 18(1) of the Listing Regulations, Section 177 of the Act and the Secretarial Standards, Ms. Soumya Rajan, the Chairperson of the Committee was present at the last Annual General Meeting (AGM) of the Company, held on August 28, 2024, to answer shareholder queries.

2. Nomination and Remuneration Committee

The Company has a duly constituted Nomination & Remuneration Committee. The Committee's constitution and terms of reference are in compliance with the provisions of Regulation 19 and Part D of Schedule II to the Listing Regulations and Section 178 of the Companies Act, as amended from time to time and other matters referred by the Board. The primary role of the Nomination & Remuneration Committee includes the formulation of the criteria for determining qualifications, positive attributes and independence of a Director, formulation of criteria for evaluation of performance of Directors, devising a policy on diversity of board and identifying persons who are qualified to become Directors.

7. To review the financial statements, in particular, the investments made by an unlisted subsidiary.

b) Composition of the Committee:

The Audit Committee of the Company constitutes three members namely:

Ms. Soumya Rajan (Non Executive Independent Director): Chairperson

Ms. Neha Bansal (Non Executive Independent Director): Member

Mr. Nishant Sharma (Non-Executive Non-Independent Director): Member

The Company Secretary of the Company acts as Secretary to this Committee.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

a) The Terms of Reference :

The Nomination and Remuneration Committee shall, among other things, be responsible for the following:

1. formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board of Directors of the Company ("**Board**") a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees ("**Remuneration Policy**"). The Nomination and Remuneration Committee, while formulating the Remuneration policy, should ensure that:
 - (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate Directors of the Quality required to run our Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
2. formulation of criteria for evaluation of performance of Independent Directors and the Board;
3. devising a policy on Board diversity;
4. identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. whether to extend or continue the term of appointment of the independent director,

on the basis of the report of performance evaluation of independent directors;

6. recommend to the Board, all remuneration, in whatever form, payable to senior management; and
7. carrying out any other activities as may be delegated by the Board and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Nomination and Remuneration Committee shall perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

1. administering the employee stock option plans of the Company, as may be required;
2. determining the eligibility of employees to participate under the Employee Stock Option Plans of the Company;
3. granting options to eligible employees and determining the date of grant;
4. determining the number of options to be granted to an employee;
5. determining the exercise price under the Employee Stock Option Plans of the Company; and;
6. construing and interpreting the Employee Stock Option Plans of the Company and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option plans of the Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of the Company.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

b) Composition of the Committee:

The members of the Nomination and Remuneration Committee are:

Ms. Soumya Rajan (Non-Executive Independent Director): Chairperson

Ms. Neha Bansal (Non-Executive Independent Director): Member

Mr. Manas Tandon (Non-Executive Non- Independent Director): Member

The Company Secretary of the Company acts as Secretary to this Committee.

c) Meetings and attendance during the year:

During the financial year under review, two (2) meetings were held, i.e. on May 16, 2024 and June 27, 2024. The attendance of members was as follows:

S. No.	Name	Designation	Category	No. of meetings entitled to attend during the year	Attendance
1.	Ms. Soumya Rajan	Chairperson	Non-Executive Independent Director	0	0
2.	Ms. Neha Bansal	Member	Non-Executive Independent Director	0	0
3.	Mr. Manas Tandon	Member	Non-Executive Non-Independent Director	2	2
4.	Mr. Nishant Sharma*	Member	Non-Executive Non-Independent Director	2	2

*Mr. Nishant Sharma ceased to be a member of the Committee w.e.f. July 04, 2024. In accordance with the provisions of the Companies Act, 2013, and applicable Listing Regulations, the Nomination and Remuneration Committee was reconstituted on July 04, 2024 and again on December 19, 2024. As part of this reconstitution, Ms. Soumya Rajan, Non-Executive Independent Director was appointed as the Chairperson and Ms. Neha Bansal, Non-Executive Independent Director, as a Member of the Committee.

As per Regulation 19(3) of the Listing Regulations, Section 178(7) of the Companies Act and the Secretarial Standards, Chairperson of Nomination and Remuneration Committee was present, at the last AGM of the Company, held on August 28, 2024, to answer shareholder queries.

d) Evaluation of the Board's Performance

Pursuant to the provisions of the Act and Listing Regulations, the annual performance evaluation of the Board and its Committees was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues, etc. A separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as Attendance, Leadership Initiative, Contribution at the meetings and otherwise, Independent Judgment, Strategic Planning, Professional Skills, Problem Solving, Decision-Making, etc.

The evaluation of Directors was carried out by the entire Board, excluding the Director being evaluated. Both, the Nomination and Remuneration Committee and the Board, were satisfied with the evaluation process, which reflected the overall engagement of the Board and its Committees with the Company.

3. Stakeholders' Relationship Committee

The Board of Directors at its meeting held on July 04, 2024 constituted Stakeholders' Relationship Committee. The Committee's constitution and terms of reference are in compliance with the provisions of Regulation 20 and Part D of Schedule II to the Listing Regulations and Section 178 of the Companies Act, as amended from time to time, and other matters referred by Board. Mr. Nishant Sharma, Non-Executive Non-Independent Director is heading the Committee as its Chairperson.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

a) Composition of the Committee:

The members of the Stakeholders' Relationship Committee are:

Mr. Nishant Sharma (Non-Executive Non-Independent Director): Chairperson

Mr. Manas Tandon (Non-Executive Non-Independent Director): Member

Ms. Neha Bansal (Non-Executive Independent Director): Member

The Company Secretary of the Company acts as Secretary to this Committee.

b) Terms of Reference:

The Stakeholders' Relationship Committee shall, among other things, be responsible for the following:

1. Considering and looking into various aspects of interest of shareholders, debenture holders and other security holders;
2. resolving the grievances of the Security Holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
3. Formulation of procedures in line with the statutory guidelines to ensure speedy

disposal of various requests received from shareholders from time to time;

4. Giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
5. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
6. review of measures taken for effective exercise of voting rights by shareholders;
7. review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;
8. To dematerialise or rematerialise the issued shares;
9. review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
10. carrying out any other functions required to be carried out by the Stakeholders Relationship Committee as contained in the Companies Act, SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

c) Meetings and attendance during the year:

During the financial year under review, one (1) meeting was held, i.e. on February 20, 2025. The attendance of members was as follows:

S. No.	Name	Designation	Category	No. of meetings held during the year	Attendance
1.	Mr. Nishant Sharma	Chairperson	Non-Executive Non-Independent Director	1	1
2.	Mr. Manas Tandon	Member	Non-Executive Non-Independent Director	1	1
3.	Ms. Neha Bansal	Member	Non-Executive Independent Director	1	1

d) Compliance Officer

Mr. Rahul Luthra, Company Secretary, has been designated as the Compliance Officer, as defined in the Listing Regulations.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

e) Investor Grievance Redressal

The details of investor complaints received and resolved during the year under review and their break-up are as under:

Opening balance	Number of Complaints received	Number of Complaints resolved	Number of Complaints not solved to the satisfaction of the shareholders	Number of Complaints Pending as on March 31, 2025
0	1,968	1,968	0	0

*Out of 1,968 complaints, 1957 complaints are related to Initial Public Offering of the Equity Shares of the Company and 11 complaints are related to request for Annual Report and other general queries.

As per Section 178(7) of the Companies Act read with Regulation 20 of the Listing Regulations and the Secretarial Standards, Mr. Nishant Sharma, the Chairperson of the Committee was present at the last AGM of the Company, held on August 28, 2024, to answer shareholder queries.

4. Corporate Social Responsibility & Sustainability Committee (CSRS)

The Corporate Social Responsibility & Sustainability Committee's constitution and terms of reference are in compliance with the provisions of Section 135 of the Act and rules framed thereunder, as amended from time to time, and other matters referred by Board.

a) Terms of Reference:

The Corporate Social Responsibility & Sustainability Committee, inter-alia, shall:

1. formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
3. monitor the Corporate Social Responsibility Policy of the Company and its implementation from time to time.

4. Consider Environmental, Social and Governance ("ESG") initiatives/reporting; and
5. any other matter as the Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

b) Composition of the Committee:

The members of the Corporate Social Responsibility & Sustainability Committee are:

- Mr. Manas Tandon (Non-Executive Non-Independent Director):** Chairperson
Mr. Gunender Kapur (Managing Director & Chief Executive Officer): Member
Ms. Soumya Rajan (Non-Executive Independent Director): Member

The Company Secretary of the Company acts as Secretary to this Committee.

c) Meetings and attendance during the year:

During the financial year under review, one (1) meeting of the Corporate Social Responsibility & Sustainability Committee was held on February 20, 2025. The attendance of members was as follows:

S. No.	Name	Designation	Category	No. of meetings entitled to attend during the year	Attendance
1.	Mr. Manas Tandon	Chairperson	Non-Executive Non-Independent Director	1	1
2.	Mr. Gunender Kapur	Member	Managing Director & CEO (Executive Director)	1	1
3.	Ms. Soumya Rajan	Member	Non-Executive Independent Director	1	1
4.	Mr. Nishant Sharma*	Member	Non-Executive Non-Independent Director	NA	NA

*Mr. Nishant Sharma ceased to be a member of the Committee w.e.f July 04, 2024. In accordance with the provisions of the Companies Act, 2013, and the applicable Listing Regulations, the Corporate Social Responsibility & Sustainability Committee was reconstituted on July 04, 2024. As part of this reconstitution, Ms. Soumya Rajan, Non-Executive Independent Director was appointed as a Member of the Committee.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

5. Risk Management Committee

The Board of Directors at its meeting held on July 04, 2024 constituted Risk Management Committee as per the requirements of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

a) Composition of the Committee:

The members of the Risk Management Committee are:

- Mr. Gunender Kapur (Managing Director & Chief Executive Officer):** Chairperson
Mr. Nishant Sharma (Non-Executive Non-Independent Director): Member
Ms. Soumya Rajan (Non-Executive Independent Director): Member

The Company Secretary of the Company acts as Secretary to this Committee.

b) Terms of Reference:

The Risk Management Committee, shall, among other things, be responsible for the following:

1. to formulate a detailed risk management policy which shall include:
 - i. a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

c) Meetings and attendance during the year:

During the financial year under review, two (2) meetings of the Risk Management Committee were held on February 20, 2025 and March 18, 2025. The attendance of members was as follows:

S. No.	Name	Designation	Category	No. of meetings held during the year	Attendance
1.	Mr. Gunender Kapur	Chairperson	Managing Director & CEO (Executive Director)	2	1
2.	Mr. Nishant Sharma	Member	Non-Executive Non-Independent Director	2	2
3.	Ms. Soumya Rajan	Member	Non-Executive Independent Director	2	2

- ii. measures for risk mitigation including systems and processes for internal control of identified risks; and
 - iii. business continuity plan.
2. to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 3. to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 4. to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 5. to keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
 6. the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
 7. To implement and monitor policies and/or processes for ensuring cyber security; and
 8. any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

6. Securities Allotment Committee

The Securities Allotment Committee was constituted by Board on January 16, 2025 for consideration and approval of the matters related to allotment of securities, including the issuance of equity shares, preference shares, debentures, or options, in compliance with the Company's Articles of Association, applicable regulatory guidelines, and laws.

a) Composition of the Committee:

The members of the Securities Allotment Committee are:

Mr. Nishant Sharma (Non-Executive Non-Independent Director): Chairperson

Mr. Gunender Kapur (Managing Director & Chief Executive Officer): Member

Mr. Manas Tandon (Non-Executive Non-Independent Director): Member

The Company Secretary of the Company acts as Secretary to this Committee.

b) Terms of Reference:

1. Approval of Securities Allotment

- To approve the allotment of securities, including the issuance of equity shares, preference shares, debentures, or options, in compliance with the Company's Articles of Association, applicable regulatory guidelines, and laws.

2. Determination of Allotment Terms

- To determine and approve the terms and conditions of the securities allotment, including pricing, timing, and other relevant parameters as deemed necessary.

3. Regulatory Compliance

- To ensure adherence to all applicable provisions of the Companies Act, 2013, Securities and Exchange Board of India (SEBI) guidelines, and other relevant regulations.

4. Other Relevant Matters

- To approve and address any other matters related to the allotment of securities, as required from time to time.

c) Meetings and attendance during the year:

During the financial year 2024-25, no meetings of the Securities Allotment Committee were held.

7. IPO Committee

The IPO Committee was constituted by Board on March 21, 2024 to deliberate on various matters in relation to the Initial Public Offerings of the Company and to make recommendation to the Board for further actions, consult, engage, negotiate and appoint advisors as may be required and other matters as may be authorised by the Board from time to time.

a) Composition of the Committee:

The members of the IPO Committee were:

Mr. Gunender Kapur (Managing Director & Chief Executive Officer): Chairperson

Mr. Manas Tandon (Non-Executive Non-Independent Director): Member

Mr. Nishant Sharma (Non-Executive Non-Independent Director): Member

The Company Secretary of the Company acts as Secretary to this Committee.

b) Terms of Reference:

The IPO Committee, inter-alia, shall:

- To take on record the number/amount of Equity Shares proposed to be offered by the Selling Shareholder(s);
- To make applications to, seek clarifications, obtain approvals and seek exemptions from, where necessary, the SEBI, the Stock Exchanges, the Registrar of Companies, Delhi and Haryana at New Delhi ("RoC"), the relevant Registrar of Companies, the Reserve Bank of India, and any other governmental or statutory authorities as may be required in connection with the IPO and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications/ amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- To finalise, settle, approve, adopt and file, or resubmit, in consultation with the book running lead managers appointed for the IPO (the "BRLMs") where applicable, the pre-filed draft red herring prospectus, the updated draft red herring prospectus – I, the updated draft red herring prospectus – II, the red herring prospectus and the prospectus in connection with the IPO, the preliminary and final international wrap, abridged prospectus, and any amendments, supplements, notices, addenda or corrigenda thereto together with any summaries thereof as may be considered desirable or expedient ("Offer Documents"), and take all such actions as may be necessary for the submission and filing, including any resubmission (if applicable) of these documents including incorporating such alterations/corrections/modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with applicable laws;
- To decide, negotiate and finalise in consultation with the BRLMs on the actual IPO size, timing, pricing, discount, reservation and all the terms and conditions of the IPO, including any reservation, green shoe option and any rounding off in the event of any oversubscription, the price band (including offer price for anchor investors), any revision to the price band, bid period, minimum bid lot for the purpose of bidding, final IPO price after bid closure, to finalise the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable law, determine the anchor investor portion, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the IPO including to make any amendments, modifications, variations or alterations in relation to the IPO;
- To appoint, instruct and enter into and terminate arrangements with the BRLMs, and in consultation with BRLM(s), appoint and enter into agreements with intermediaries including underwriters to the IPO, syndicate members to the IPO, brokers to the IPO,

escrow collection bankers to the Offer, refund bankers to the Offer, registrars, sponsor bank(s), legal advisors, auditors, advertising agency, independent chartered accountants, industry expert, depositories, custodians, printers and any other agencies or persons or intermediaries in relation to the Offer, including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalisation, execution and remuneration of all such intermediaries/agencies including the payments of commissions, brokerages, etc.;

- To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the pre-filed draft red herring prospectus, the updated draft red herring prospectus – I, the updated draft red herring prospectus – II, the red herring prospectus, the prospectus, the preliminary and final international wrap, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the IPO, agreement with the advertising agency in relation to the IPO, bid-cum-application forms, confirmation of allotment notes and all other documents, deeds, agreements and instruments whatsoever with the registrar to the IPO, legal advisors, auditors, advertising agency, stock exchange(s), BRLMs, and any other agencies/intermediaries in connection with the IPO, and any notices, supplements and corrigenda thereto, with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the IPO;
- To decide, negotiate and finalise, in consultation with the BRLMs, all matters regarding the Pre-IPO Placement, if any, including entering into discussions and execution of all relevant documents with investors;
- To authorise the maintenance of a register of holders of the Equity Shares;

REPORT ON CORPORATE GOVERNANCE (CONTD.)

9. To seek, if required, the consent and/or waiver of the lenders of the Company, customers, suppliers, strategic partners, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the IPO or any actions connected therewith;
10. To open and operate bank accounts in terms of the cash escrow and sponsor bank agreement with a scheduled bank to receive applications along with application monies, for handling of refunds, and for the purposes set out in Section 40(3) of the Companies Act, 2013, as amended, in respect of the IPO, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
11. To determine the amount, the number of Equity Shares, terms of the issue of the equity shares, the categories of investors for the Pre-IPO Placement, if any including the execution of the relevant documents with the investors, in consultation with the BRLMs, and rounding off, if any, in the event of oversubscription and in accordance with applicable laws;
12. To determine and finalise the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the IPO (including issue price for anchor investors), reservation or discount (if any), approve the basis of allotment and confirm allocation/allotment of the equity shares to various categories of persons as disclosed in the pre-filed draft red herring prospectus, the updated draft red herring prospectus – I, the updated draft red herring prospectus – II, the red herring prospectus and the prospectus, in consultation with the BRLM(s) and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the IPO including any alteration, addition or making any variation in relation to the IPO;
13. all actions as may be necessary in connection with the IPO, including extending the Bid/IPO period, revision of the price band, allow revision of the IPO portion in case any Selling Shareholder decides to revise it, in accordance with the applicable laws;
14. To authorise and approve in consultation with the BRLM(s), incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the IPO;
15. To approve code of conduct as may be considered necessary by the IPO Committee or as required under the Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;
16. To approve the implementation of any corporate governance requirements, code of conduct for the Board, officers and other employees of the Company that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under Applicable Laws;
17. To finalise and issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
18. To undertake as appropriate such communication with the Selling Shareholders as required under applicable law, including inviting the existing shareholders of the Company to participate in the IPO by making an offer for sale in relation to such number of Equity Shares held by them as may be deemed appropriate, and which are eligible for the offer for sale in accordance with the Securities and Exchange Board

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”), take all actions as may be necessary and authorised in connection with the offer for Sale and to approve and take on record the approval of the Selling Shareholder(s) for offering their Equity Shares in the offer for Sale and the transfer of Equity Shares in the offer for Sale;
19. To authorise and approve notices, advertisements in relation to the IPO in consultation with the relevant intermediaries appointed for the IPO in accordance with the SEBI ICDR Regulations, Companies Act, as amended and other Applicable Laws;
20. To issue advertisements in such newspapers and other media as it may deem fit and proper in accordance with the SEBI ICDR Regulations, Companies Act, 2013, as amended and other Applicable Laws;
21. To decide the total number of Equity Shares to be reserved for allocation or transferred to eligible categories of investors the number of Equity Shares to be allotted or transferred in each tranche, issue price, premium amount, discount (as allowed under Applicable Laws), if any;
22. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, in consultation with BRLMs, including without limitation, to determine the anchor investor portion and allocation to anchor investors, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, credit of Equity Shares to the demat accounts of the successful allottees, share certificates in accordance with the relevant rules, in consultation with the BRLMs in accordance with Applicable Laws;
23. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorise one or more officers of the Company to execute all or any of the aforesaid documents;
24. To make in-principle and final applications for listing and trading of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary and to take all such other actions as may be necessary in connection with obtaining such listing;
25. To settle all questions, difficulties or doubts that may arise in relation to the IPO, including issue, allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;
26. To submit undertaking/certificates or provide clarifications to the SEBI, RoC and the relevant stock exchange(s) where the Equity Shares are to be listed;
27. To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the IPO and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;
28. To execute and deliver and/or to authorise and empower officers of the Company (each, an “Authorised Officer”) for and on behalf of the Company to execute and deliver, on a several basis, any and all other documents or instruments and any declarations, affidavits, certificates, consents, agreements as well as amendments or

REPORT ON CORPORATE GOVERNANCE (CONTD.)

supplements thereto as may be required from time to time or that the Authorised Officers consider necessary, appropriate or advisable, in connection with the IPO, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements, the registrar agreement, the depositories agreements, the offer agreement, the underwriting agreement, the syndicate agreement, the cash escrow and sponsor bank agreement and confirmation of allocation notes, with the BRLMs, syndicate members, bankers to the IPO, registrar to the IPO, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, advertising agencies, and all such persons or agencies as may be involved in or concerned with the IPO, if any and any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee and/or Authorised Officer may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in

connection with the IPO and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee and/or Authorised Officer shall be conclusive evidence of the authority of the IPO Committee and/or Authorised Officer and Company in so doing;

29. To decide, negotiate and finalise the pricing and all other related matters regarding the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with Applicable Laws;
30. To if necessary, withdraw the pre-filed draft red herring prospectus or the updated draft red herring prospectus – I or the updated draft red herring prospectus – II or the red herring prospectus or to decide to not proceed with the IPO at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and
31. To delegate any of its powers set out hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company.

c) Meetings and attendance during the year:

During the financial year under review, three (3) meeting were held, i.e. on December 05, 2024, December 10, 2024 and December 16, 2024. The attendance of members was as follows:

S. No.	Name	Designation	Category	No. of meetings entitled to attend during the year	Attendance
1.	Mr. Gunender Kapur	Chairperson	Managing Director & CEO (Executive Director)	3	3
2.	Mr. Nishant Sharma	Member	Non-Executive Non-Independent Director	3	3
3.	Mr. Manas Tandon	Member	Non-Executive Non-Independent Director	3	3

Following the successful listing of the Company on December 18, 2024, on Stock Exchanges, the Board of Directors, at its meeting held on January 31, 2025, resolved to dissolve this committee.

SENIOR MANAGEMENT PERSONNEL:

Details of Senior Management Personnel (including changes therein) as on March 31, 2025 as defined under Regulation 16(1) (d) of SEBI Listing Regulations are as follows:

S. No.	Name	Designation
1.	Mr. Amit Gupta	Chief Financial Officer
2.	Mr. Manoj Kumar	Chief Operations Officer
3.	Mr. Karthik Kuppusamy	Chief Information Officer
4.	Mr. Dhruva Kumar Dubey	Chief Human Resources Officer

REPORT ON CORPORATE GOVERNANCE (CONTD.)

S. No.	Name	Designation
5.	Ms. Anne Martine Marie Puvis Cardinali	Chief B&M Officer-Apparel
6.	Mr. Vishal Mehrotra	Chief B&M Officer -FMCG
7.	Mr. Samir Agrawal	Chief B&M Officer -General Merchandising
8.	Mr. Kuldeep Sharma	Vice President, Legal and Compliance
9.	Mr. S Raamesh	Vice President-Supply Chain
10.	Mr. Rahul Luthra	Company Secretary & Compliance Officer

Changes in Senior Management Personnel during the Financial year 2024-25

The details of changes in our Senior Management Personnel during the financial year 2024-25 are as follows:

Sl. No.	Name	Date of Change	Reason for Change
1.	Richa Agarwal	April 23, 2024	Resignation as Company Secretary due to change in designation to Assistant Manager, Legal and Compliance.
2.	Rahul Luthra	April 24, 2024	Appointment as Company Secretary

REMUNERATION OF DIRECTORS:

The Company has a well-defined Nomination and Remuneration Policy for Directors, Key Managerial Personnel (KMP) and other Employees of the Company as formulated by Nomination and Remuneration Committee, pursuant to provisions of Section 178 of the Companies Act and Para A of Part D of Schedule II to the Listing Regulations, which lays down the criteria for determining, inter-alia, qualifications, positive attributes and independence of a Director and matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, including Non-Executive Directors, Key Managerial Personnel and other employees.

The detailed policy formulated by Nomination and Remuneration Committee is annexed to the Board's Report and can be accessed at <https://aboutvishal.com/resources/media/files/a9fc7426-597e-48c9-b991-7cfdda0fdb1.pdf>.

i. **Pecuniary Relationship of Non-Executive Directors:** Non-Executive Directors of the Company, have no pecuniary relationship or transaction with the Company, except the payment of commission on the profits of the company as allowed under the Companies Act, 2013.

ii. **Criteria of making Payment to Non-Executive Directors:** As per Nomination and Remuneration Policy of the Company, remuneration to Non-Executive

Directors and Independent Directors is paid as per the following criteria:

1. **Remuneration/Commission:** The remuneration/ commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act.
2. **Sitting Fees:** The Non- Executive/Independent Directors may receive remuneration by way of fees for attending meetings of the Board of Directors and Committees thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
3. **Commission:** Commission may be paid not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
4. **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

The above Criteria of making Payment to Non-Executive Directors can also be accessed on the Company's website at <https://www.aboutvishal.com/resources/media/files/3601ea80-c411-4dc0-b871-5d280aff59fd.pdf>.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

iii. Details with respect to Remuneration:

Details of remuneration disbursed to Executive and Non-Executive Directors, during the period under review:

Name	Fixed Component/ Salary (₹)	Benefits (₹)	Sitting Fees (₹)	Commission (₹)	Performance Linked Incentive/Commission (₹)	Total (₹)
Mr. Gunender Kapur	4,68,29,928	64,91,328	-	-	10,99,99,992	16,33,21,248*
Ms. Soumya Rajan	-	-	-	35,00,000**	-	35,00,000
Ms. Neha Bansal	-	-	-	35,00,000**	-	35,00,000
Mr. Manas Tandon	-	-	-	-	-	-
Mr. Nishant Sharma	-	-	-	-	-	-
Mr. Sanjeev Aga	-	-	-	-	-	-

*Excluding the value of perquisites which arose pursuant to exercise of vested stock options.

**Subject to approval of shareholders, the Board of Directors in its meeting held on August 13, 2025 have approved the commission of ₹ 35,00,000 each to Ms. Neha Bansal and Ms. Soumya Rajan, Non-Executive Independent Directors of the Company for the Financial Year ended March 31, 2025.

The tenure of Mr. Gunender Kapur, Managing Director and Chief Executive Officer, is for a period of three (3) years effective from June 27, 2024.

The tenure of Ms. Neha Bansal, Non-Executive Independent Director, is for a period of four (4) years effective from September 23, 2022, while the tenure of Ms. Soumya Rajan, Non-Executive Independent Director is for a period of five (5) years effective from May 31, 2024.

Mr. Manas Tandon, Mr. Nishant Sharma, and Mr. Sanjeev Aga, Non-Executive Non-Independent Directors, are liable to retire by rotation in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company.

The notice period for Directors shall be as per the terms of their respective appointments. There are no service contracts or separate provisions for payment of severance fees.

Performance-based incentive is part of the overall compensation structure of Mr. Gunender Kapur, Managing Director and Chief Executive Officer which is paid to him on annual basis.

The Company has not provided any other benefits such as Bonus and pension to its Directors.

During the Financial year 2024-25, 2,38,00,000 (Two Crores and Thirty-Eight Lakhs) Stock options were granted to Mr. Gunender Kapur, Managing Director and Chief Executive Officer of the Company.

None of the Directors have received any Loans and advances from the Company during the year under consideration.

GENERAL BODY MEETINGS

The General Body Meetings of the Company were held in accordance with the requirements of the Companies Act.

Details of last three Annual General Meetings (AGMs):

Financial Year	Date	Time (IST)	Venue	No. of Special Resolutions passed	Detail of Special Resolution passed
2023-24	August 28, 2024	11:00 AM	Plot No. 184, Fifth Floor, Platinum Tower, Udyog Vihar, Phase-1, Gurugram- 122016, Haryana	Nil	-
2022-23	September 15, 2023	12:00 Noon	Plot No. 184, Fifth Floor, Platinum Tower, Udyog Vihar, Phase-1, Gurugram- 122016, Haryana	Nil	-
2021-22	September 23, 2022	12:00 Noon	Plot No. 184, Fifth Floor, Platinum Tower, Udyog Vihar, Phase-1, Gurugram- 122016, Haryana	Nil	-

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Postal Ballot:

Except the following, no Special Resolution was passed or required to be passed, during the period under review, through postal ballot:

During the year under review, pursuant to Regulation 44 of SEBI Listing Regulations and Sections 108, 110 and other applicable provisions of the Act read with Rules made thereunder, Members of the Company approved following matters by way of special resolution through postal ballot dated January 20, 2025:

Sl. No.	Type of resolution	Brief description of Resolutions
1	Special Resolution	Amendments and ratification of the Vishal Mega Mart Employees Stock Options Plan 2019
2	Special Resolution	Ratification of the extension of benefits under Vishal Mega Mart Employees Stock Options Plan 2019 to the eligible employees of subsidiary company(ies) of Vishal Mega Mart Limited

Procedure followed for postal ballot:

- In compliance with Regulation 44 of the SEBI Listing Regulations and Sections 108, 110 and other applicable provisions of the Act read with the Rules made thereunder and General Circulars issued by Ministry of Corporate Affairs, the postal ballot notice dated January 20, 2025 was dispatched on Monday, January 20, 2025 containing draft resolutions together with the explanatory statement and remote e-voting instructions through electronic mode to all those Members whose e-mail address were registered with the Company/Registrar and Share Transfer Agent ("RTA") or Depository/Depository Participants and whose names appeared in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on Friday, January 10, 2025. The Company also published notice in the newspapers declaring details of completion of dispatch on Tuesday, January 21, 2025 as mandated under the Act and applicable rules.
- Members were requested to cast their vote only through remote e-voting facility provided by KFin Technologies Limited between Tuesday, January 21, 2025 (9:00 A.M. IST) and Wednesday, February 19, 2025 (5.00 P.M. IST) (both days inclusive) on the draft resolutions mentioned in the postal ballot notice.
- The Scrutiniser, Mr. Shashikant Tiwari, Partner of M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, submitted his report on February 20, 2025, after completion of the scrutiny.
- The result of the postal ballot was announced by Mr. Rahul Luthra, Company Secretary & Compliance Officer on February 20, 2025. The last date of remote e-voting i.e. Wednesday, February 19, 2025, was taken as the date of passing of the resolutions.
- The result of the postal ballot along with the scrutiniser's report was displayed at the registered office of the Company, hosted at the Company's website at www.aboutvishal.com and on the website of KFin Technologies Limited at <https://evoting.kfintech.com> and was also communicated to the Stock Exchanges.
- The consolidated summary of result is as under:

Item	Net Valid Votes Cast (No. of Equity Shares)	Votes in favour of the Resolution (No. of Equity Shares and % of Net Valid Votes)	Votes against the Resolution (No. of Equity Shares and % of Net Valid Votes)
Special Resolution for Amendments and ratification of the Vishal Mega Mart Employees Stock Options Plan 2019	4,06,57,98,499	3,57,02,26,524 (87.8112%)	49,55,71,975 (12.1888%)
Special Resolution for Ratification of the extension of benefits under Vishal Mega Mart Employees Stock Options Plan 2019 to the eligible employees of subsidiary company(ies) of Vishal Mega Mart Limited	4,06,57,98,664	3,57,02,23,920 (87.8111%)	49,55,74,744 (12.1889%)

REPORT ON CORPORATE GOVERNANCE (CONTD.)

MEANS OF COMMUNICATION

A. Quarterly Results:

Quarterly Results are published in Financial Express (English), newspaper having substantial circulation Pan-India and Jansatta (Hindi), vernacular newspaper and are also posted on the Company's website i.e. <https://aboutvishal.com/>

B. News Releases and Presentations to institutional investors/analysts:

Official press releases and presentations are made to Institutional Investors and financial analysts on the Company's Quarterly, Half - Yearly as well as Annual Financial Results. These press releases, presentations and schedule of analyst or institutional investors meet are also hosted on the Company's website and can be accessed at <https://aboutvishal.com/> as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in meeting/presentation with institutional investors and financial analysts.

C. Website:

The Company's website contains a separate dedicated section on 'Investor Relations'. It contains comprehensive database of information for the investors including the financial results, Annual Reports of the Company, any price sensitive information disclosed to the regulatory authorities from time to time, official news releases, presentations made to institutional investors or to the analyst, business activities and the services rendered/facilities extended by the Company to our investors, in a user friendly manner. The basic information about the Company

as required in terms of Listing Regulations is also provided on the Company's website and the same is updated regularly.

D. NSE – Corporate Compliance and National Electronic Application Processing System ("NEAPS"):

The NEAPS is a web based system designed by NSE for corporates. The shareholding pattern, corporate governance report, corporate announcements, financial results, etc. are also filed electronically on NEAPS. Details of which can be accessed at www.nseindia.com.

E. BSE Corporate Compliance and Listing Centre ("Listing Centre"):

The Listing Centre is web based application designed by BSE for corporates. The shareholding pattern, corporate governance report, corporate announcements, financial results, etc. are filed electronically on the Listing Centre. Details of which can be accessed at www.bseindia.com.

F. Designated e-mail-ID:

The Company has designated e-mail-ID i.e. secretarial@vishalwholesale.co.in exclusively for investors servicing.

G. SEBI Complaint Redressal System (SCORES):

The investors' complaints are also being processed through the centralised web based complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES, the investors can view online, the actions taken and current status of the complaints.

1. GENERAL SHAREHOLDER INFORMATION

a)	Date, Time and Venue of Annual General Meeting (AGM)	The 7th Annual General Meeting ('AGM') of the Company would be held on Monday, September 29, 2025, at 04:00 P.M. (IST) through Video Conferencing/ Other Audio-Visual Means ('VC/OAVM').
b)	Financial Year	April 01, 2024 to March 31, 2025
c)	Dividend Payment Date	Not Applicable as the Company has not declared any Final Dividend.
d)	Stock Exchanges on which the Company's securities have been listed	I. National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051 II. BSE Limited (BSE) Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Annual Listing fees, as applicable, has been duly paid to NSE & BSE.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

e)	Suspension of Company's Securities	Company's securities are never suspended from trading since its listing.
f)	Registrar and Share Transfer Agent (RTA)	KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India - 500 032 Email: einward.ris@kfintech.com Toll Free No.: 1800 309 4001
g)	Share Transfer System	Share Transfer System of the Company is computerised and KFin Technologies Limited is the Company's Registrar and Share Transfer Agent (RTA) for equity shares (kept in physical as well as electronic mode). The requests, if any, for share transfer, transmission, sub-division, consolidation, renewal, re-mat, duplicate etc. are processed and share certificates duly endorsed/issued are dispatched within the prescribed time period, subject to documents being valid and complete in all respects.
h)	Dematerialisation of Shares and Liquidity	The Equity Shares of the Company are in compulsory de-mat segment and are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. The ISIN Number of Company on both the NSDL and CDSL is INE01EA01019. As on March 31, 2025, 4,59,74,28,218 Equity Shares of ₹ 10/- each (~100%) are held in electronic/de-mat form and 5 shares are held in physical/re-mat form.
i)	Commodity price risk or foreign exchange risk and hedging activities	The Company is not engaged in commodity trading, hedging or exchange risk management activities.
j)	Address for correspondence	Registered Office & Corporate Office: Vishal Mega Mart Limited Plot No. 184, Fifth Floor, Platinum Tower, Udyog Vihar, Phase-1, Gurugram, Haryana- 122016, India Tel No.: +91 124- 4980000 Email id: secretarial@vishalwholesale.co.in Investor Correspondence (RTA): KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India - 500 032 Email: einward.ris@kfintech.com Toll Free No.: 1800 309 4001
k)	Plant locations	Not Applicable

REPORT ON CORPORATE GOVERNANCE (CONTD.)

REPORT ON CORPORATE GOVERNANCE (CONTD.)

DEPOSITORY SERVICES

Shareholders may write to the Company or to the respective Depositories for any guidance on depository services:

National Securities Depository Ltd.	Central Depository Services (India) Ltd.
📍 Trade World, 4th Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 ☎ Telephone: 022 - 24972964-70 📠 Fax: 022 - 24972993 022 - 24976351	📍 Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023 ☎ Telephone: 022 - 2272 3333-3224 📠 Fax: 022 - 2272 3199

OTHER DISCLOSURES

a) Disclosure on Material Related Party Transactions

During the financial year ended March 31, 2025, there were no material significant related party transactions that may have potential conflict with the interests of the Company at large. i.e. transactions of the Company of material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives, etc.

The Company has formulated and adopted a Policy on Dealing with Related Party Transactions and the web-link for the policy is <https://aboutvishal.com/resources/media/files/863b07e0-2633-4e70-95f1-dcc08329df33.pdf>.

The Company has made requisite disclosure with respect to related party transaction in the significant accounting policies and notes to accounts to the financial statements. Transactions with the related parties as per the requirements of Ind AS 24 are disclosed in Note no. 34 to the Standalone Financial Statements of the Company for the year ended March 31, 2025 forming part of this Annual Report.

b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

The Company is in full compliance with the matters related to capital markets and there are no penalties imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

c) Whistle-Blower Policy and affirmation that no personnel has been denied access to the Chairperson of the Audit Committee.

Your Company has in place Whistle-Blower Policy ("the Policy"), which provides formal mechanism to its employees for communicating instances of breach of any statute, actual or suspected fraud on the accounting policies and procedures adopted for any area or item, acts resulting in financial loss or loss of reputation, leakage of information in the nature of Unpublished Price Sensitive Information (UPSI), misuse of office, suspected/actual fraud and criminal offences. The Policy enables the reporting of such concerns to the Ombudspersons and/or to the Chairperson of the Audit Committee through specified channels. The framework of the Policy strives to foster responsible and secure whistle blowing. In terms of the Policy of the Company, no employee of the Company has been denied access to the Chairperson of the Audit Committee of the Board.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

Mandatory requirements: The Company is fully compliant with the applicable mandatory requirements of the Listing Regulations.

Adoption of Non-Mandatory requirements: The Company has complied with all mandatory requirements of Regulation 34 of the Listing Regulations. The Company has adopted following non-mandatory requirements of Regulation 27 and Regulation 34 of the Listing Regulations.

l)	List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad	Details of Rating Credits are as follows:	
		Particulars	India Ratings and Research (Name of Credit Rating Agency)
		Fund-based working capital Limits	AA/Positive/A1+
		Issuer Rating	AA/Positive
m)	Outstanding Global depository receipts or American depository receipts/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity	Non-Fund Based Working Capital Limits	A1+

o) Distribution of shareholding as on March 31, 2025:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Total Shareholding
1 - 5,000	7,05,635	94.8377	9,33,21,871	2.0299
5,001 - 10,000	14,814	1.9910	1,17,37,494	0.2553
10,001 - 20,000	9,454	1.2706	1,47,05,422	0.3199
20,001 - 30,000	8,796	1.1822	2,26,48,537	0.4926
30,001 - 40,000	1,288	0.1731	45,69,155	0.0994
40,001 - 50,000	1,054	0.1417	49,21,772	0.1071
50,001 - 1,00,000	1,612	0.2167	1,16,78,979	0.2540
1,00,001 and above	1,392	0.1871	4,43,38,44,993	96.4419
Total	7,44,045	100	4,59,74,28,223	100

Categories of shareholders as on March 31, 2025

Category	No. of shareholders	No. of shares held	Shareholding (%)
A. PROMOTERS HOLDINGS			
Indian Promoters	1	3,42,74,77,956	74.5521
B. NON- PROMOTERS HOLDINGS			
a) Mutual Fund	116	52,17,62,729	11.3490
b) Alternate Investment Funds	16	95,63,398	0.2080
c) Foreign Companies	0	0	0
d) Foreign Portfolio Investors	88	32,31,58,049	7.0291
e) Non Resident (Repatriable & Non-repatriable)	3,090	37,08,009	0.0807
f) Foreign Nationals	2	16,68,718	0.0363
g) Other Bodies Corporates	633	1,55,87,778	0.3391
h) Financial Institutions/Banks	4	19,82,820	0.0431
i) Insurance Companies	15	2,83,44,122	0.6165
j) Others (Individual, Clearing Members, HUF, Employees/Directors, Trusts, etc.)	7,40,080	26,41,74,644	5.7461
Total	7,44,045	4,59,74,28,223	100

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Discretionary Requirements

1. **The Board** – Ms. Neha Bansal, Non-Executive Independent Director is Chairperson of the Board. The Non-Executive Directors are entitled to use Office Premises as and when required at the Company's expenses and also allowed reimbursement of expenses incurred in performance of their duties towards the Company.
2. **Modified Opinion(s) in Audit Report** – The Company confirms that its financial statements are with unmodified audit opinion.
3. **Reporting of Internal Auditor** – The Internal Auditor reports directly to the Audit Committee of the Board.
4. **Woman Independent Director:-** The Company has appointed two Woman Independent Directors on the Board of Directors.
5. **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:-** The Company has appointed separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer, such that the Chairperson is –
 - (a) a Non-Executive Director; and
 - (b) not related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013.
6. **Risk Management:-** The Company has constituted a risk management committee with the

composition, roles and responsibilities specified in regulation 21 of Listing Regulations.

e) Web-links

All the requisite policies including:

- i. The Policy of determining material subsidiaries is available on the Company's website which can be accessed at <https://aboutvishal.com/resources/media/files/94b6838e-0662-4935-8b39-0154b3466732.pdf>.
- ii. The Policy on dealing with related party transactions is available on the Company's website which can be accessed at <https://aboutvishal.com/resources/media/files/863b07e0-2633-4e70-95f1-dcc08329df33.pdf>.

f) Details of Utilisation of funds raised through preferential Allotment or qualified institutions placement: Not applicable

g) Recommendation of Committee

During the year, there are no such cases where the recommendation of any Committee of Board, have not been accepted by the Board, which is mandatorily required to be accepted as per the law.

h) Total fees paid to the Statutory Auditors

The total fee for all services paid/payable by the Company and its subsidiaries, on a consolidated basis, to M/s Walker Chandio & Co. LLP Statutory Auditors (Firm Registration No.: 001076N/N500013) and all entities in the network firm/network entity of which the statutory auditor is a part, for the financial year under review is ₹ 36.40 million.

i) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Sl. No.	Particulars	Details
1.	Number of Complaints filed during the financial year	1
2.	Number of Complaints disposed of during the financial year	1
3.	Number of Complaints pending as on end of the financial year	Nil

Non-compliance of Corporate Governance

There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V to the Listing Regulations.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

CORPORATE GOVERNANCE COMPLIANCE

The Company has complied with the Corporate Governance Requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation 2 of Regulation 46 of the Listing Regulations, to the extent applicable. It has obtained a certificate affirming the compliances from M/s. Chandrasekaran Associates, Company Secretaries (Firm Registration Number: P1988DE002500), New Delhi, the Company's Secretarial Auditors and the same is annexed as **Annexure – II**.

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES:

In compliance with the SEBI regulations on prevention of Insider Trading, the Company has instituted a comprehensive code of conduct for prohibition of insider trading to regulate, monitor and report trading in the Company securities by Designated Persons and their Immediate Relatives. The basic intention of the Code of Conduct is to prohibit employees or any other person from dealing in the Equity Shares of the Company while they are in possession of Unpublished price sensitive information.

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any Demat Suspense/Unclaimed Suspense Account.

AGREEMENTS UNDER CLAUSE 5A OF PARAGRAPH A OF PART A OF SCHEDULE III OF THE LISTING REGULATIONS

The Company is not having any agreement under clause 5A of paragraph A of Part A of Schedule III to the Listing Regulations.

DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT

During the Financial Year 2024-25, no loans or advances have been given to the firms/companies in which the directors of the Company are interested.

DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY; INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES

Name of Subsidiary	Airplaza Retail Holdings Private Limited
Date & Place of Incorporation	Date of Incorporation: February 01, 2008 Place of Incorporation: Chennai, Tamil Nadu
Name of Statutory Auditors as on March 31, 2025	M/s Walker Chandio & Co LLP
Date of Appointment/Re-appointment of Statutory Auditor	November 10, 2020

CEO AND CFO CERTIFICATION

Mr. Gunender Kapur, Managing Director and Chief Executive Officer and Mr. Amit Gupta, Chief Financial Officer of the Company have certified compliance of Regulation 17(8) of the SEBI Listing Regulations. The CEO and CFO certificate issued by them to the Board is annexed as **Annexure - III** to this report.

CODE OF CONDUCT

The Board has approved and adopted a Code of Conduct for all Board Members and senior management of the Company, which can be accessed on the Company's website at <https://aboutvishal.com/resources/media/files/16777d8b-5165-4dbe-901b-d4b3c42be2d7.pdf>.

On behalf of the Board
For **Vishal Mega Mart Limited**

Place: Gurugram
Date: August 13, 2025

Nishant Sharma
(Non- Executive Non-Independent Director)
DIN: 03117012

Gunender Kapur
(Managing Director & CEO)
DIN: 01927304

REPORT ON CORPORATE GOVERNANCE (CONTD.)

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT

[Pursuant to Part D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of Vishal Mega Mart Limited

Sub: Compliance with Code of Conduct

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company as adopted by the Board of Directors, for the Financial Year ended March 31, 2025.

Date: August 13, 2025

Place: Gurugram

Gunender Kapur

Managing Director & CEO

DIN: 01927304

ANNEXURE - I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

VISHAL MEGA MART LIMITED

(formerly known as Vishal Mega Mart Private Limited)

Plot No. 184, Fifth Floor, Platinum Tower Udyog Vihar, Phase-1

Gurugram Haryana 122016 India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited)** and having CIN: L51909HR2018PLC073282, and having Registered office at Plot No. 184, Fifth Floor, Platinum Tower Udyog vihar, Phase-1, Gurugram, Haryana, India, 122016 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and based on the declarations received from respective Directors, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2025, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Date of appointment in Company
1.	Mr. Gunender Kapur	01927304	22/09/2020
2.	Mr. Sanjeev Aga	00022065	16/10/2020
3.	Ms. Soumya Rajan	03579199	31/05/2024
4.	Mr. Manas Tandon	05254602	16/10/2020
5.	Ms. Neha Bansal	02057007	25/02/2022
6.	Mr. Nishant Sharma	03117012	16/10/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 6689/2025

Lakhan Gupta

Partner

Membership No. F12682

Certificate of Practice No. 26704

UDIN: F012682G000534214

Date: June 03, 2025

Place: Delhi

ANNEXURE - II

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER LISTING REGULATIONS, 2015

To

The Members

Vishal Mega Mart Limited

Plot No. 184, Fifth Floor, Platinum Tower,
Udyog Vihar, Phase-1, Gurugram, Haryana- 122016

We have examined all relevant records of Vishal Mega Mart Limited ("**the Company**") for the purpose of certifying of all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2025. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No: 6689/2025

Lakhan Gupta

Partner

Membership No. F12682

Certificate of Practice No.: 26704

UDIN: F012632G000999261

Date: August 13th, 2025

Place: Delhi

ANNEXURE – III

CEO/CFO CERTIFICATE PURSUANT TO PART B OF SCHEDULE II TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Board of Directors/Audit Committee

Vishal Mega Mart Limited

We, Gunender Kapur, Managing Director & CEO and Amit Gupta, Chief Financial Officer, of Vishal Mega Mart Limited, hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2025 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee:
 - i. That there have been no significant changes in internal control over financial reporting during the year;
 - ii. That there has not been any significant change in the accounting policies during the year requiring disclosure in the notes to the Financial Statements; and
 - iii. That we are not aware of any instance of significant fraud during the year, with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Gurugram

Date: August 13, 2025

Gunender Kapur

(Managing Director & CEO)

Amit Gupta

(Chief Financial Officer)

ANNEXURE - 8

FORM AOC - 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

During the year, the Company has not entered into any contract or arrangement or transaction which was not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

During the year, the Company has entered into following material contract(s) or arrangement(s) or transaction(s) at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Transaction undertaken during the year (Amount in ₹ million)	Date(s) of approval by the Audit Committee/ Board, if any	Amount paid as advances
Airplaza Retail Holdings Private Limited (Wholly Owned Subsidiary)	Sale of traded goods	In terms of Master Franchise Agreement dated March 21, 2024	The Franchisee shall exclusively procure from the Franchisor the Franchisor's Branded Products.	56,757.89	May 16, 2024	Nil
	Royalty Income			1,067.05	May 16, 2024	Nil
	Recovery of common employees service			227.50	May 16, 2024	Nil
	Recovery of common warehouse services			70.29	May 16, 2024	Nil
	Equipment lease rental			868.89	May 16, 2024	Nil
	Recovery of warehouse rental			19.14	May 16, 2024	Nil
	Share options issued to the employees of the subsidiary	-	Stock Options issued to the employees of subsidiary company under Vishal Mega Mart Employees Stock Options Plan 2019.	33.97	May 16, 2024	Nil

By order of the Board
For **Vishal Mega Mart Limited**

Gunender Kapur
Managing Director & Chief Executive Officer
DIN: 01927304

Nishant Sharma
Non-Executive Non-Independent Director
DIN: 03117012

Date: August 13, 2025
Place: Gurugram

Date: August 13, 2025
Place: Gurugram

ANNEXURE - 9

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I Details of the listed entity

1.	Corporate Identity Number (CIN) of the listed entity	L51909HR2018PLC073282
2.	Name of the Listed Entity	VISHAL MEGA MART LIMITED
3.	Year of incorporation	2018
4.	Registered office address	Plot No. 184, Fifth Floor, Platinum Tower, Udyog Vihar Phase-1, Gurugram Haryana, India -122016
5.	Corporate address	Plot No. 184, Fifth Floor, Platinum Tower, Udyog Vihar Phase-1, Gurugram Haryana, India - 122016
6.	Email	secretarial@vishalwholesale.co.in
7.	Telephone	+91 124- 4980000
8.	Website	www.aboutvishal.com
9.	Financial year for which reporting is being done	FY 2024-25
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11.	Paid-up Capital as on March 31, 2025 (in Crore)	₹ 4,597
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Rahul Luthra Telephone: +91-124-4980000 Email: secretarial@vishalwholesale.co.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Consolidated
14.	Name of assurance provider	Grant Thornton Bharat LLP
15.	Type of assurance obtained	Reasonable Assurance Business Responsibility and Sustainability Report – Core Attributes

II. Products or Services

16. Details of business activities (accounting for 90% of the turnover):

Sl. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Retail Sales - Through online and physical stores	Apparel	44
2		General Merchandise	28
3		Fast Moving Consumer goods	28

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No	Product/Service	NIC Code	% of total Turnover contributed
1	Apparel	47711	44
2	General Merchandise	47592, 47593, 47594, 47613, 47630, 4764, 47713	28
3	Fast Moving Consumer goods	4721, 47222	28

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants*	Number of Offices	Total
National	714	1	715
International	0	0	0

*All retail stores and Distribution centers are reported as plants.

19. Markets served by the entity:

a.	No. of locations	
	Locations	Number
	National (No. of States)	30 (which includes two Union Territories)
	International (No. of Countries)	0
b.	What is the contribution of exports as a percentage of the total turnover of the entity?	The Company did not have any exports during FY 2024-25.
c.	A brief on types of customers	Vishal Mega Mart primarily targets middle and lower middle-income households in India, a demographic that has seen significant growth in recent years. With the number of middle-income households rising to approximately 225 million by 2023, Vishal Mega Mart aims to cater to the needs of this expanding segment, which is estimated to include around 945 million individuals. The store positions itself within the aspirational retail market, appealing to consumers who seek products that balance high quality with affordability. This market is a key part of India's retail landscape and is projected to continue growing robustly. Vishal Mega Mart's focus is on providing an organized retail experience that offers a wide assortment of goods, competitive pricing, and a commitment to quality, which is increasingly sought after in densely populated urban areas and untapped markets where organized retail is gaining ground.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	18,029	12,758	71	5,271	29
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total Employees (D+E)	18,029	12,758	71	5,271	29
Workers						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total Employees (F+G)	0	0	0	0	0

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

b. Differently abled employees and workers:

Sl. No	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled Employees						
1.	Permanent (D)	629	525	83	104	17
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D+E)	629	525	83	104	17
Differently abled Workers						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F+G)	0	0	0	0	0

21. Participation/Inclusion/Representation of Women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	6	2	33.33
Key Management Personnel	3	0	0

22. Turnover rate for permanent employees and workers

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	75%	72%	74%	89%	93%	90%	104%	92%	101%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding/subsidiary/associate companies/joint ventures

Sl. No	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity?
1	Samayat Services LLP	Holding	-	N
2	Airplaza Retail Holdings Private Limited	Subsidiary	100	Y
3	Vishal E-Commerce Private Limited	Subsidiary	100	Y

VI CSR details

24.	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
	(ii) Turnover (in Crore ₹)	₹ 10,716
	(iii) Net Worth (in Crore ₹)	₹ 6,426

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

VII Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes, https://www.vishalmegamart.com/en-in/terms.html#privacypolicy&id=terms	0	0	-	0	0	-
Investors (other than shareholders)	Yes, https://aboutvishal.com/resources/media/files/7ef2f51f-d3c8-40b2-9814-d3570febd069.pdf	0	0	-	0	0	-
Shareholders	Yes, https://aboutvishal.com/resources/media/files/7ef2f51f-d3c8-40b2-9814-d3570febd069.pdf	1,968	0	-	0	0	-
Employees and workers	Yes, https://aboutvishal.com/resources/media/files/7ef2f51f-d3c8-40b2-9814-d3570febd069.pdf	100	0	-	127	0	-
Customers	Yes, https://www.vishalmegamart.com/en-in/terms.html#privacypolicy&id=terms	81,482	0	-	56,106	0	-
Value Chain Partners	Yes, https://aboutvishal.com/resources/media/files/7ef2f51f-d3c8-40b2-9814-d3570febd069.pdf	0	0	-	0	0	-
Others (please specify)		0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sl. No	Material issue identified	Indicate whether risk or opportunity (R-Risk / O-Opportunity)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate positive or negative implications)
1	Supply Chain Management and Sourcing	Risk	Ineffective supply chain management poses a significant threat to VMM. Problems like unreliable suppliers, poor labor practices, and failure to adhere to environmental regulations can interrupt inventory flow, increase expenses, and damage the brand's image. Such challenges could result in supply shortages, regulatory fines, and diminished customer trust, which would jeopardize operational stability and impede long-term growth of the Company.	Enhancing and reinforcing logistics within the supply chain to minimize emissions is essential. Additionally, initiatives like local sourcing, diversifying suppliers, and establishing a strong supply chain risk management system can further bolster the sustainability of the supply chain.	Negative Implication

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Sl. No	Material issue identified	Indicate whether risk or opportunity (R-Risk / O-Opportunity)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate positive or negative implications)
2	Regulatory Compliance	Risk	Statutory compliance is critical to the Company's continued operations. Failure to adhere to the required regulatory obligations may result in penalties, fines, and other legal consequences.	- Cultivating an ethical organisational culture with an emphasis on transparency and compliance. - Conducting routine risk assessments to identify and address potential compliance risks	Negative Implication
3	Consumer Behavior and Market Trends	Opportunity	Actively engaged customers are more likely to develop brand loyalty, resulting in repeat purchases and positive word-of-mouth referrals. Satisfied shoppers enhance the brand's reputation and contribute to increased sales. By prioritizing customer experience, embracing digital trends, and fostering long-term relationships, the Company can gain a competitive edge. Ultimately, customer-centric strategies drive sustainable growth and build lasting connections with consumers.	-	Positive Implication
4	Business Continuity and Operational resilience	Risk	Business continuity is crucial for securing the long-term viability of an organization. By proactively preparing for possible disruptions, VMM can reduce risks, sustain operational resilience, and foster customer trust. Adhering to legal obligations, ensuring financial stability, managing the supply chain effectively, and prioritizing employee well-being are all vital components of sustainable business practices. Ultimately, maintaining business continuity enhances brand reputation and provides a competitive edge.	The Company will develop and establish a Business Continuity Plan (BCP) that covers various aspects of Environment, Social, Governance and Critical IT infrastructure throughout the organization. Disaster Recovery (DR) sites are set up to ensure seamless operations during disruptions. These sites are regularly tested, and the outcomes are evaluated to identify any required improvements. Our policies and programs are designed to effectively manage unforeseen disasters or challenges that may impact our business.	Negative Implication

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Sl. No	Material issue identified	Indicate whether risk or opportunity (R-Risk / O-Opportunity)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate positive or negative implications)
5	Ethics and Transparency	Risk	Managing the company's day-to-day operations in an ethical manner (e.g., ethical marketing, lobbying, anti-bribery measures etc.)	- Development of Code of Conduct - Development of policies, programs and mechanisms to avoid unethical practices	Negative Implication
6	Sustainability and climate	Opportunity	Minimising GHG emissions and increase the proportion of renewable energy in the total energy mix of Company's operations is an opportunity to contribute towards positive environmental impact.	-	Positive Implication
7	Data privacy and cybersecurity	Risk	The Company risks economic and reputational losses, as well as diminishing customer trust, due to insufficient data security and privacy protections.	The deployment of robust information security systems and the enactment of stringent policies for handling sensitive customer data.	Negative Implication

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements:

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://aboutvishal.com/?content=Policies&Codes&id=25								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NA								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	No								

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9									
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA																	
Governance, Leadership, and Oversight																			
7.	Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements	Dear Stakeholders, At Vishal Mega Mart, we are committed to growing responsibly by integrating sustainability into the core of our business. Our focus spans environmental stewardship, social responsibility, and strong governance. In line with our commitment to sustainability, we invest in the development of our teams through training programmes that enhance essential skills across various areas. Our workplace culture emphasizes well-being, inclusivity, and accountability, supported by comprehensive health and safety measures and transparent grievance mechanisms. Governance remains a cornerstone of our approach. We have strengthened controls around data privacy, anti-corruption, and compliance, with regular oversight by our dedicated CSR and sustainability committee. As we look ahead, we remain focused on building a future-ready, responsible business that delivers long-term value to our customers, employees, partners, and the wider community. Thank you for your continued support.																	
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Corporate Social Responsibility & Sustainability Committee																	
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, Corporate Social Responsibility & Sustainability Committee																	
10. Details of Review of NGRBCs by the Company:																			
Subject for Review		Indicate whether review was undertaken by Director/Committee of the Board/Any other committee									Frequency (Annually/Half Yearly/ Quarterly/Any other – please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action		Yes									Periodically or as and when required								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances		Yes									The Company is in compliance with applicable laws and regulations.								
11.	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9	No								

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	P1, P3, P5	100
Key Managerial Personnel	2	P1, P3, P5	100
Employees other than BoD and KMPs	29	All Principles	100
Workers	-	-	-

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Nil*	-	-	-	-
Settlement		-	-	-	-
Compounding Fee		-	-	-	-

Non-Monetary				
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment		Nil		
Punishment		Nil		

*This is not applicable as there are no reported fines/penalties beyond the material threshold as per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

Yes, Weblink - <https://aboutvishal.com/resources/media/files/f1332247-adf1-40c6-b896-dd964d9bb9cd.pdf>

Vishal Mega Mart Limited (VMM) has instituted an Anti-Bribery and Anti-Corruption Policy that underscores its commitment to maintaining high legal and ethical standards in business operations. The policy applies to all VMM employees and associates, governing their conduct with government officials and business partners. It is grounded in legal frameworks like the Prevention of Corruption Act and the Prevention of Money Laundering Act, ensuring adherence to both Indian and international regulations. The policy strictly prohibits any form of inducements, including gifts, entertainment, facilitation payments, and commercial bribery. It also mandates accurate accounting and record-keeping to prevent transaction mischaracterization. VMM ensures thorough vetting of third-party intermediaries based on legitimate business needs. Employees must understand and comply with the policy, with non-compliance potentially leading to termination. Inquiries and concerns about the policy are to be directed to VMM's Legal Department, overseen by the CFO and General Counsel.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

NA

8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

	FY 2024-25	FY 2023-24
Number of days of accounts payable	64	77

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

9. Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameters	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	4%	4%
	b. Number of trading houses where purchases are made from	39	37
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	69%	65%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	0	0
	b. Number of dealers/distributors to whom sales are made	0	0
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0	0
	b. Sales (Sales to related parties/Total Sales)	0	0
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0	0
	d. Investments (Investments in related parties/Total Investments made)	0	0

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D			NA
Capex			NA

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

The company manages its supply chain by verifying ethical practices through factory visits, focusing on human rights, safety, and fair trade. It also promotes environmental responsibility by encouraging the use of recycled and sustainable products within its supply network. This approach aims for both social and environmental accountability in its sourcing.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

We continuously strive to minimize our waste generation. For plastic packaging waste, we implement source segregation, ensuring that the material is disposed of safely through authorized local vendors. Similarly, electronic waste (e-waste) is also disposed of securely through authorized vendors. Battery waste is managed through a buy-back policy, where it is returned to the battery provider for proper management.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

YES

Details: VMM is in the process of establishing mechanisms for waste collection in line with applicable Extended Producer Responsibility (EPR) norms.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	12,758	12,758	100	12,758	100	-	-	464	4	0	0
Female	5,271	5,271	100	5,271	100	5,271	100	-	-	99	2
Total	18,029	18,029	100	18,029	100	5,271	100	464	3	99	1
Other than Permanent Employees											
Male	0	0	0	0	0	-	-	0	0	0	0
Female	0	0	0	0	0	0	0	-	-	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

b. Details of measures for the well-being of workers

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0
Other than Permanent Workers											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of total revenue of the company	0.14%	0.15%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority. (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority. (Y/N/N.A.)
PF	100	0	Y	100	0	Y
Gratuity	100	0	Y	100	0	Y
ESI	100% of Applicable employees	0	Y	100% of Applicable employees	0	Y
Others – EDLI	100	0	Y	100	0	Y

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes

<https://aboutvishal.com/?content=Policies&Codes&id=25>

5. Return to work and Retention rates of permanent employees and workers that took parental leave

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	90%	-	-
Female	93%	53%	-	-
Total	94%	57%		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes, Vishal Mega Mart Limited has established a Grievance Redressal Policy to ensure a transparent, fair, and supportive environment for all employees, workers, and external stakeholders. Developed in line with our core values, the policy provides a structured, confidential platform for reporting and resolving concerns without fear of retaliation. It covers workplace behaviour and ethical practices. Grievances can be submitted through multiple channels, including an online portal and e-mail. The Company ensures timely acknowledgment (within 3 days), impartial investigation, and regular updates.
Other than Permanent Employees	NA

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	18,029	0	0	15,571	0	0
- Male	12,758	0	0	11,291	0	0
- Female	5,271	0	0	4,280	0	0
Total Permanent Workers	0	0	0	0	0	0
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and Safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	12,758	12,758	100	12,758	100	11,291	11,291	100	11,291	100
Female	5,271	5,271	100	5,271	100	4,280	4,280	100	4,280	100
Total	18,029	18,029	100	18,029	100	15,571	15,571	100	15,571	100
Workers										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0

9. Details of performance and career development reviews of employees and worker

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	12,758	10,719	84	11,291	9,879	87
Female	5,271	4,306	82	4,280	3,615	84
Total	18,029	15,025	83	15,571	13,494	87
Workers						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total	0	0	0	0	0	0

10. Health and safety management system

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?
Yes, Occupational health and safety management system covers all employees of the company.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
VMM's structured approach ensures an efficient response to incidents, prioritizing the safety and well-being of all individuals involved. All Personnel specially in the store and distribution are trained on safe material handling, fire hazards and crowd management.
- Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)
Yes
- Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)
Yes.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

11. Details of safety related incidents, in the following format

Safety Incident/Number	Category	FY 2024-25*	FY 2023-24*
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.31	0.14
	Workers	NA	NA
Total recordable work-related injuries	Employees	13	4
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place

Employees and workers are trained to report all incidents immediately. The incident reporting mechanism begins with the immediate reporting of any incident to the store manager. Following this, the injured individual will receive emergency assistance from the nearest healthcare facility to ensure their well-being. Additionally, the insurance provider will be notified to facilitate any necessary claims or support. The store manager is responsible for reporting the incident to the relevant personnel in the HR department for further action and documentation. Finally, the number of lost days resulting from the incident will be calculated for record-keeping and analysis.

13. Number of Complaints on the following made by employees and workers

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions			Nil			
Health & Safety			Nil			

14. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	NA
Working conditions	NA

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions

NA

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity

Vishal Mega Mart has identified essential stakeholders, both internal and external, through a systematic process of peer assessment and analysis of stakeholder groups that could influence the company's business operations, as well as those affected by its activities. The Company is committed to actively engaging with these stakeholders to understand their primary expectations and develop strategic plans to address these needs.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Internal communications - Town hall and Conclave - Rewards and Recognition programs - Employee engagement/ satisfaction surveys - Annual appraisal meetings - Employee engagement initiatives	Others – Regularly	- Employee welfare programs - Skill development - Adherence to the Regulatory Norms - Corporate policies - Training & professional development
Shareholders/ Investors	No	- Email - Annual General Meeting - Press Releases - Investor Meetings	Others – Regularly	- Financial performance and business outlook
Customers	No	- Advertisements - Pamphlets, - Website - In-Store Communication - Helpdesk	Others – Regularly	- Details regarding current offers and promotions - Prompt and effective resolution of issues - Collection of feedback on the services provided by the Company
Business Partners/ Associates	No	- Email - Website - Conference Calls - One-on-one meetings	Others – Regularly	- Provision of materials and services - Evaluating supplier performance and addressing any inquiries - Keeping abreast of changing industry trends and applicable best practices - Engaging in discussions regarding sustainability criteria
Regulatory Bodies	No	- Meetings - Conferences - Facility visits by Government/ Regulatory officials - Official Communications - Statutory Publications	Quarterly/ Annually	- Compliance with relevant laws and regulations - Prompt response to any requested information
Local Community	No	- Community welfare programs - Project assessment reviews	Others – Regularly	- Community safety and development - Engagement and communication

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Principle 5: Businesses should respect and promote human rights

Essential Indicator

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees/workers (B)	% (B/A)	Total (C)	No. of employees/workers (D)	% (D/C)
Employees						
Permanent	18,029	18,029	100	15,571	15,571	100
Other than Permanent	0	0	0	0	0	0
Total Employees	18,029	18,029	100	15,571	15,571	100
Workers						
Permanent	0	0	0	0	0	0
Other than Permanent	0	0	0	0	0	0
Total Workers	0	0	0	0	0	0

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	18,029	12,638	70	5,391	30	15,571	11,039	71	4,532	29
Male	12,758	8,070	63	4,688	37	11,291	7,280	64	4,011	36
Female	5,271	4,568	87	703	13	4,280	3,759	88	521	12
Other than Permanent	NA					NA				
Male										
Female										
Workers										
Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	NA					NA				
Male										
Female										

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

3. Details of remuneration/salary/wages

- a. Median remuneration/wages

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)*	3	-	2	35,00,000
Key Managerial Personnel	3	3,18,21,250	0	NA
Employees other than BoD and KMP	12,755	1,65,035	5,271	1,39,435
Workers	-	-	-	-

*The remuneration of a Director who is also a KMP is not included in the total remuneration for BOD.

- b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	20%	19%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Vishal Mega Mart Limited has established a Grievance Redressal Policy to ensure a transparent, fair, and supportive environment for all employees, workers, and external stakeholders. Developed in line with our core values, the policy provides a structured, confidential platform for reporting and resolving concerns without fear of retaliation.

It covers workplace behaviour and ethical practices. Grievances can be submitted through multiple channels, including an online portal and e-mail. The Company ensures timely acknowledgment (within 3 days), impartial investigation, and regular updates.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remark	Filed during the year	Pending resolution at the end of year	Remark
Sexual Harassment	1	0	-	2	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	2
Complaints on POSH as a % of female employees/workers	0.02	0.05
Complaints on POSH upheld	1	2

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

All cases are handled with due confidentiality with no consequences to the complainant.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100% assessed by the entity
Forced/Involuntary Labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

NA

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
For Renewable Sources			
Total Electricity Consumption (A)	GJ	436	441
Total Fuel Consumption (B)	GJ	0	0
Energy Consumption through other sources (C)	GJ	0	0
Total energy consumed from renewable sources (A+B+C)	GJ	436	441
For Non-Renewable Sources			
Total Electricity Consumption (D)	GJ	4,92,992	4,03,204
Total Fuel Consumption (E)	GJ	95,144	76,764
Energy Consumption through other sources (F)	GJ	463	279
Total energy consumed from non-renewable sources (D+E+F)	GJ	5,88,599	4,80,247
Total energy consumed (A+B+C+D+E+F)	GJ	5,89,035	4,80,688
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	GJ/₹	0.0000055	0.0000054
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	GJ/US\$	0.00011	0.00012
Energy intensity in terms of physical output	-	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes. GT Bharat LLP

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

3. Provide details of the following disclosures related to water, in the following format

Parameter	Unit	FY 2024-25	FY 2023-24*
Water Withdrawal by source (in kilolitres)			
(i) Surface Water	kL	-	-
(ii) Ground Water	kL	-	-
(iii) Third party Water	kL	16,844	-
(iv) Sea Water/Desalinated Water	kL	-	-
(v) Others	kL	1,03,327	-
Total volume of water withdrawal (in kilolitres) (i+ ii+ iii+ iv+ v)	kL	1,20,171	-
Total volume of water consumption (in kilolitres)	kL	1,20,171	-
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	kL/₹	0.0000011	-
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	kL/US\$	0.000023	-
Water intensity in terms of physical output	-	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes. GT Bharat LLP

*Note: The company is in the process of establishing methods to measure and calculate water consumption pattern and its corresponding data for years prior to its public listing.

4. Provide the following details related to water discharged:

Parameter	Unit	FY 2024-25*	FY 2023-24*
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface Water		Vishal Mega Mart's operations are primarily retail-oriented, with no requirement for industrial or process-related water use. Water consumption is limited to domestic purposes such as drinking, sanitation, and cleaning activities at our stores, offices, and distribution centers. Given the nature and scale of water use, wastewater generated is domestic in character and discharged through local municipal sewage networks or captive soak pits, depending on the availability of local infrastructure. As water usage is minimal and not integral to core business processes, centralized data on water withdrawal and discharge is not currently maintained. However, Vishal Mega Mart remains committed to regulatory compliance and adopts good water management practices across its facilities to ensure responsible discharge and support resource efficiency.	
- No treatment			
- With treatment – please specify level of treatment			
(ii) To Ground Water			
- No treatment			
- With treatment – please specify level of treatment			
(iii) To Seawater			
- No treatment			
- With treatment – please specify level of treatment			
(iv) Sent to third-parties			
- No treatment			
- With treatment – please specify level of treatment			
(v) Others			
- No treatment			
- With treatment – please specify level of treatment			
Total water discharged (in kiloliters)			

*We are currently establishing systems to monitor and report the data on water discharge.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes. GT Bharat LLP

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

NO

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
NOx	VMM is in the process of establishing systems for monitoring of air emissions.		
SOx			
Particulate Matter (PM)			
Persistent Organic Pollutants (POP)			
Volatile Organic Compounds (VOC)			
Hazardous Air Pollutants (HAP)			
Other – please specify			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

NO

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	17,158	5,722*
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	99,592	80,214
Total Scope 1 and Scope 2 emissions	Metric tonnes of CO ₂ equivalent	1,16,750	85,936
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	Metric tonnes of CO ₂ equivalent/₹	0.0000011	0.00000096
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	Metric tonnes of CO ₂ equivalent/US\$	0.000023	0.000022
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		NA	

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes. GT Bharat LLP

*Fugitive emissions were not considered for FY 2023-24

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details

Yes, the Company operates a facility in Hyderabad that is powered by renewable energy generated from an on-site rooftop solar power plant. This initiative reflects our commitment to sustainable operations and reducing our carbon footprint.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

9. Provide details related to waste management by the entity, in the following format

Parameter	Unit	FY 2024-25	FY 2023-24*
Total Waste generated (in metric tonnes)			
Plastics (A)	MT	2,697	-
E-Waste (B)	MT	06	-
Bio-Medical Waste		0	-
Construction and Demolition Waste (D)		0	-
Battery Waste	MT	08	-
Radioactive Waste (F)		0	-
Other Hazardous waste. Please specify, if any. (G)		0	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	MT	11,124	-
Total (A+B + C + D + E + F + G + H)	MT	13,835	-
Waste intensity per rupee of turnover (Total waste consumed/Revenue from operations)	MT/₹	0.00000013	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste consumed/Revenue from operations adjusted for PPP)	MT/US\$	0.0000027	-
Waste intensity in terms of physical output		NA	-
Waste intensity (optional) – the relevant metric may be selected by the entity		NA	-

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of Waste			
(i) Recycled	-	-	-
(ii) Re-used	-	-	-
(iii) Other recovery operations	-	-	-
Total	-	-	-

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of Waste			
(i) Incineration		0	-
(ii) Landfilling		0	-
(iii) Other disposal operations	MT	13,835	-
Total	MT	13,835	-

*Note: The company is in the process of establishing methods to measure and calculate waste generation pattern and its corresponding data for years prior to its public listing.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. GT Bharat LLP

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

Sl. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
NA					

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sl. No	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
NA				

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicator

1. a. Number of affiliations with trade and industry chambers/associations
One
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sl. No	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Retail Association of India	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
NA		

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicator

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-Link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

Sl. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In ₹)
NA						

3. Describe the mechanisms to receive and redress grievances of the community

We have established an email communication channel on our website for stakeholders to share anonymous feedback, which is reviewed by a dedicated team. Key inputs are shared with the Management Team to drive improvements aligned with our values.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/small producers	76%	60%
Directly from within India	100%	100%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25	FY 2023-24
Rural	0.94%	0.74%
Semi-urban	14.65%	12.31%
Urban	61.79%	60.50%
Metropolitan	22.63%	26.45%

(Place to be categorized as per RBI Classification System – Rural, Semi-urban, Urban, and Metropolitan)

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicator

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

VMM has implemented a comprehensive grievance redressal mechanism to receive and respond to consumer complaints and feedback. Customers can raise concerns by visiting their nearest VMM store, where staff members are equipped to assist with complaint resolution and product returns. Additionally, customers can reach out to the customer care team through multiple channels, including WhatsApp, email, and the customer care phone number provided on company's website (www.vishalmegamart.com). For unresolved concerns requiring further attention, VMM has appointed a dedicated Grievance Officer, whose contact details are available on the website to ensure timely and effective resolution.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Vishal Mega Mart sources products from reputed third-party vendors, manufacturers, and distributors for direct sale. We ensure appropriate labeling compliance across the vendor ecosystem, covering statutory content, sustainable sourced products, safety, and handling instructions.
Safe and responsible usage	100% of our apparel products carry wash care labels, providing instructions for safe and responsible usage.
Recycling and/or safe disposal	Vishal Mega Mart sources products from reputed third-party vendors, manufacturers, and distributors for direct sale. We ensure appropriate labeling compliance across the vendor ecosystem, covering statutory content, safety, and handling instructions.

3. Number of consumer complaints in respect of the following:

	FY 2024-25		Remarks	FY 2023-24		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	81,482	0	-	56,106	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

Policy Available: Yes

Web link: <https://aboutvishal.com/?content=Policies&Codes&id=25>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

NA

7. Provide the following information relating to data breaches

a. Number of instances of data breaches	0
b. Percentage of data breaches involving personally identifiable information of customers	0
c. Impact, if any, of the data breaches	NA

ANNEXURE - 10

INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON IDENTIFIED SUSTAINABILITY INFORMATION IN VISHAL MEGA MART LIMITED 'S BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR) FOR FY 2024-25

To the Board of Directors of Vishal Mega Mart Limited ("the Holding Company") Gurugram, Haryana, India

- We have been engaged to perform a reasonable assurance engagement for Vishal Mega Mart Limited ("the Holding Company") and its wholly owned subsidiary, "Airplaza Retail Holdings Private Limited" (the Holding Company and its wholly owned subsidiary together referred to as "the Group") vide our engagement letter dated April 28, 2025, in respect of the agreed sustainability information listed below (the "Identified Sustainability Information") in accordance with the criteria stated below. This Identified Sustainability Information is included in the Business Responsibility and Sustainability Report (BRSR) of the Group for the financial year ended March 31, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and engineers.

Identified Sustainability Information

- The Identified Sustainability Information for Financial Year 2024-2025 is summarised below:

Attribute	Principle	Key Performance Indicator
Energy footprint	Principle 6 – 1	- Total energy consumption (in Joules or multiples) % of energy consumed from renewable sources - Energy intensity
Water footprint	Principle 6 – 3	- Total water consumption - Water consumption intensity
	Principle 6 – 4	Water Discharge by destination and levels of Treatment
Greenhouse (GHG) footprint	Principle 6 – 7	- Greenhouse gas emissions (Scope 1 and Scope 2 emissions) - GHG Emission Intensity (Scope 1 + 2)
Embracing circularity - details related to waste management by the entity	Principle 6 – 9	- Details related to waste generated by the entity (category wise) - Waste intensity - Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations - For each category of waste generated, total waste disposed by nature of disposal method
Enhancing Employee Wellbeing and Safety	Principle 3 – 1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue
	Principle 3 – 11	- Details of safety related incidents: - Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked) - Total recordable work-related injuries - No. of fatalities - High consequence work-related injury or ill-health (excluding fatalities)
Enabling Gender Diversity in Business	Principle 5 – 3(b)	Gross wages paid to females as % of total wages paid by the entity
	Principle 5 – 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

ANNEXURE - 10 (CONTD.)

Attribute	Principle	Key Performance Indicator
Enabling Inclusive Development	Principle 8 – 4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India
	Principle 8 – 5	Job creation in smaller towns – Wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the locations, as % of total wage cost
Fairness in Engaging with Customers and Suppliers	Principle 1 – 8	Number of days of accounts payables
	Principle 9 – 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
Open-ness of business	Principle 1 – 9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties

- Boundary of the report covers Vishal Mega Mart Limited (including all stores, warehouses & corporate office) and its wholly owned subsidiary Airplaza Retail Holdings Private Limited.
- Our reasonable assurance engagement is with respect to the Identified Sustainability Information for the reporting boundary as mentioned above for the financial year ended March 31, 2025 only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and, therefore, do not express any opinion thereon.

Criteria

- The criteria used by the Holding Company to prepare the Identified Sustainability Information is summarised below (hereinafter referred to as 'Criteria'):
 - Regulation 34(2)(f) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('LODR Regulations') as amended, read with SEBI Master circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 November 2024 and SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dated 28 March 2025; and
 - SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated December 20, 2024 read with BRSR Core Reporting Standard formulated by Industry Standards Forum.

Management's Responsibilities

- The Holding Company's management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

- The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Practitioner's Independence and Quality Control

- We have complied with the independence and other ethical requirements of International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ('IESBA') which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

ANNEXURE - 10 (CONTD.)

- Our firm applies International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

- Our responsibility is to express a reasonable assurance in the form of an opinion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Criteria.
- A reasonable assurance engagement involves assessing the suitability in the circumstances of the Holding Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Sustainability Information.
- The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.
- Given the circumstances of the engagement, in performing the procedures listed above, we:
 - Performed walkthrough and discussion with individual data owners for understanding business processes and data management processes at corporate office and stores of the Holding Company.
 - Visited the corporate office at Gurugram and stores at New Delhi, Noida and Gurugram for data and document verification.
 - Interviewed senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
 - Reviewed the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Group to support relevant performance disclosures within our scope.
 - Evaluated the suitability and application of the Criteria and that the Criteria have been applied appropriately to the subject matter.
 - Selected key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
 - Re-performed calculations to check accuracy of claims,
 - Reviewed data from independent sources, wherever available,
 - Reviewed data, information about sustainability performance indicators and statements in the report.
 - Reviewed and verified information/ data as per the Criteria;
 - Reviewed accuracy, transparency and completeness of the information/ data provided;
- We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

ANNEXURE - 10 (CONTD.)

Exclusions:

15. Our reasonable assurance engagement scope excludes the following and therefore we do not express an opinion on the same:
- Aspects of the BRSR and data/information (qualitative or quantitative) other than the Identified Sustainability Information.
 - Operations of the Group other than those mentioned in Identified Sustainability Information section above.
 - Data and information outside the defined reporting period.
 - Data related to Group's financial performance, strategy and other related linkages expressed in the Identified Sustainability Information.
 - The Group's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Group and assertions related to Intellectual Property Rights and other competitive issues.
 - Mapping of the Identified Sustainability Information with the reporting frameworks other than those mentioned in Criteria above.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Opinion

16. Based on the procedures we have performed and the evidence we have obtained, the Identified Sustainability Information included in the BRSR for the financial year ended March 31, 2025 is prepared in all material respects, in accordance with the Criteria.

Other Matter

17. The information pertaining to the financial year ended March 31, 2024, included as comparative information in the Identified Sustainability Information, has been certified by the management and was not been subjected to either limited/ reasonable assurance engagement.

Our opinion is not modified with respect to this matter.

Restriction on use

18. Our reasonable assurance report has been prepared and addressed to the Board of Directors of the Holding Company at the request of the Holding Company solely, to assist the Group in reporting on the Group's sustainability performance and activities. Accordingly, this report may not be suitable for any other purpose and should not be used by any other party other than the Board of Directors of the Holding Company. Further, we do not accept or assume any duty of care or liability for any other purpose or to any other party to whom this report is shown or into whose hands it may come without our prior consent in writing.

Grant Thornton Bharat LLP

Abhishek Tripathi

Partner

Dated: August 13, 2025

Place: Grant Thornton Bharat LLP

Plot No. 19A, 2nd Floor, Sector – 16A,

Noida - 201301,

Uttar Pradesh, India

ANNEXURE - 11

DETAILS PERTAINING TO EMPLOYEES' STOCK OPTION PLAN FOR THE YEAR ENDED MARCH 31, 2025

Sl. No.	Particulars	For the Financial Year 2024-25
1.	Options granted during the year	7,13,67,500
2.	Options vested during the year	4,50,90,028
3.	Options exercised during the year	8,87,08,730
4.	Total number of shares arising as a result of exercise of options	8,87,08,730
5.	Options lapsed/Forfeited during the year	19,55,500
6.	Exercise price	During the year ended March 31, 2025, the exercise price of stock options granted ranged between ₹ 35 and ₹ 65 per stock option.
7.	Variation of terms of options	During the year ended March 31, 2025, the Company has amended the Vishal Mega Mart Employees Stock Options Plan 2019 vide the approval of the Board and the Shareholders of the Company dated January 16, 2025 and February 19, 2025, respectively.
8.	Money realized by exercise of options	₹ 89,73,86,555
9.	Total number of options in force (as on March 31, 2025)	12,94,21,250
10.	Employee wise details of options granted to:	During the Financial Year 2024-25, the options granted to Key Managerial Personnel of the Company:
	a) Key Managerial Personnel	1. Gunender Kapur - 2,38,00,000 Stock Options 2. Amit Gupta – 60,00,000 Stock Options 3. Rohit Jindal - 11,90,000 Stock Options 4. Rahul Luthra - 1,50,000 Stock Options
	b) Any other employee who received a grant of options in any one year of options amounting to five percent or more of options granted during that year	1. Manoj Kumar – 60,00,000 Stock Options 2. Anne Martine Marie Puvis Cardinali – 60,00,000 Stock Options 3. Vishal Mehrotra – 60,00,000 Stock Options 4. Karthik Kuppusamy – 60,00,000 Stock Options 5. Samir Agrawal – 45,00,000 Stock Options
	c) Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

Note: For additional disclosures relating to ESOP, please refer the note no. 26 to Standalone Financial Statements of the Company.

ANNEXURE - 12

Details regarding conservation of energy, technology absorption, foreign exchange earnings and outgo [Section 134 (3)(m)]

1. Conservation of energy

(a) The steps taken or impact on conservation of energy:

The Company's operations involve low energy consumption. Wherever possible, energy conservation measures have already been implemented. However, it is as an ongoing effort to conserve energy and optimise the use of energy.

(b) The steps taken by the company for utilising alternate sources of energy:

The Company's operations do not require utilisation of any alternate source of energy.

(c) The capital investment on energy conservation equipment:

Since the operations of the Company warrants low energy consumption, the Company has not made any capital investment on energy conservation measures.

2. Technology absorption

(a) The efforts made towards technology absorption:

Considering the nature of business activities of the Company, no technology was absorbed, adapted or innovated during the financial year. However, the Company is thriving to upgrade its IT infrastructure which is more cost efficient in terms of operating cost and also to increase productivity by many folds.

(b) The benefits derived like product improvement, cost reduction, product development or import substitution:

Since, the Company is in the process of upgrading its IT infrastructure, the provision for any benefit does not arise.

(c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- covered as in (i) above. The Company has not imported any technology during the year.

(i) Details of technology imported: Not applicable

(ii) Year of import: Not applicable

(iii) whether the technology been fully absorbed: Not applicable

(iv) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA

(d) The expenditure incurred on Research and Development: There was no research or development activity carried during the year and thus the expenditure incurred is Nil.

3. Foreign exchange earnings and Outgo

The Company has no Foreign Exchange earnings or expenses during the year. The Foreign Exchange outgo during the year in terms of actual outflows-

Particulars	FY 2024-25 (Amount in ₹ million)
Foreign exchange inflow	-
Foreign exchange outflow	67.31

FINANCIAL STATEMENTS

CONSOLIDATED: 136 - 199

STANDALONE: 200 - 267

INDEPENDENT AUDITOR'S REPORT

To the Members of Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited)

Report on the Audit of the Consolidated Financial Statements

OPINION

- We have audited the accompanying consolidated financial statements of Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2025, and their
- We have determined the matters described below to be the key audit matters to be communicated in our report.

consolidated profit (including other comprehensive loss), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

- We conducted our audit in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

- Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Key audit matters	How our audit addressed the key audit matters
As at 31 March 2025, the net carrying value of inventories amounted to ₹18,503.07 millions after considering allowance for slow-moving, non-moving, obsolete inventories (including shrinkage) of ₹691.07 millions. The management undertakes physical verification of inventories on perpetual basis throughout the year and the actual shrinkages (shortages) noted as part of such verification are recorded in the books. Further, for the period from last physical verification to the reporting date, the management estimates provision for shrinkage on the basis of actual shrinkage loss trend of historical period. Owing to multiple locations and significant amount of inventories held at such locations, significant attention and audit efforts are spent by us to obtain comfort on the existence of such inventories. Further, the management has a policy to recognize provision towards slow moving, non-moving and obsolete inventories or lower net realizable value ("NRV") basis the age of the products, forecasted future demand, expiration date of the products and their disposal, past experience of realisation from liquidation of aged inventories and estimated cost to sell the product. Considering the complexities involved, significance of carrying amount of inventories and significant management assumptions, estimates and judgement involved, existence and valuation of inventories is considered as a key audit matter during the current year audit.	- Evaluated the design and tested the operating effectiveness of key controls over physical verification, valuation and provision for inventories and NRV assessment; - On a sample basis, inspected management's inventory count records for selected locations and ensured that necessary adjustments for damages and shrinkages were accounted for and approved by management and further observed the physical verification conducted by management for locations selected based on materiality and risk considerations; - Assessed the appropriateness of year end shrinkage provision by assessing the location wise inventory write downs during the period and applying the shrinkage rate determined location wise using actual shrinkage loss trend of historical period, to the year-end inventories; - Obtained ageing of inventories and tested the ageing, on sample basis; - Evaluated the management's assessment for estimating net realizable value by comparing carrying value of such inventories with subsequent and recent selling prices on sample basis; - Evaluated the adequacy of inventory provision and reasonableness of key assumptions used by the management in assessing inventory provision towards slow moving, non-moving and obsolete inventories or lower NRV, through an analysis of inventory items by category and age and the level of inventory write downs in these categories during the prior periods to ensure consistency with prior periods; - Reperformed calculation of inventory provision as per the policy of the Group basis the age of the products, past experience and forecasted future demand and other assumptions used by the management while determining such provision; - Obtained management representation in respect of control over inventory count procedures and appropriateness of management assessment for provision for inventories due to slow moving, non-moving and obsolete inventories (including shrinkage); and - Assessed the appropriateness and adequacy of the disclosures made in the consolidated financial statements in accordance with the requirements of applicable accounting standards.

Key audit matters

Existence and valuation of inventories

Refer note 2(n) for the material accounting policy information and note 9 to the accompanying consolidated financial statements for related disclosures of inventories.

The Group's inventories primarily comprise of Apparels, FMCG and General Merchandize. Such inventories are stored at various locations which include retail outlets/warehouses situated nationwide and valued at cost and net realisable value, whichever is lower, in accordance with the principles of Ind AS 2, "Inventories" ('Ind AS 2').

How our audit addressed the key audit matters

Our audit procedures in relation to existence and valuation of inventories included, but were not limited to, the following:

- Understood the management's process of physical verification of inventories, valuation of inventories, identifying slow-moving, non-moving, obsolete inventories, and NRV assessment, and assessed the appropriateness of the Group's accounting policy for valuation and provision for inventories in accordance with Ind AS 2;

INDEPENDENT AUDITOR'S REPORT (CONTD.)

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Key audit matters	How our audit addressed the key audit matters
Impairment assessment of Goodwill Refer note 2(l) for the material accounting policy information and note 4 of the accompanying consolidated financial statements for the related disclosures of Goodwill and its impairment assessment. As at 31 March 2025, the Group is carrying Goodwill amounting to ₹42,836.34 millions in the consolidated financial statements, which represents 43% of the total assets of the Group. The management has identified "contract manufacturing and wholesale and retail trading" as a cash generating unit (CGU) and entire Goodwill has been allocated to this CGU. In accordance with Ind AS 36, "Impairment of Assets" ('Ind AS 36'), the Group performs annual impairment assessment of Goodwill by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU, which is higher of its value in use and fair value less costs of disposal. The management's assessment of the recoverable amount of CGU involves significant management judgement and estimation such as forecasting future cash flow projections, expected growth rates and discount rate which are affected by management's future market expectations and economic conditions. Considering the significance of the amounts involved and high estimation uncertainty and significant management judgment involved in determining recoverable amount, the impairment assessment of goodwill is considered as a key audit matter for the current year audit.	Our audit procedures in relation to impairment assessment of goodwill included, but were not limited to, the following: - Obtained an understanding of management's process for identification of CGU and impairment assessment of goodwill and assessed the appropriateness of the Group's accounting policies relating to impairment of non-financial assets in accordance with Ind AS 36; - Evaluated the design and tested the operating effectiveness of key controls over the impairment assessment process; - Obtained management's external valuation expert's report for determining recoverable amount of CGU and assessed the objectivity, professional competency and independence of the management expert; - Involved auditor's expert to assist in evaluating appropriateness of valuation methodology and reasonableness of the assumptions used by the management's expert to calculate the recoverable value of the CGU; - Traced the cash flow projections used in the impairment assessment with approved business plans; - Assessed the reasonableness of the assumptions used in the valuation model based on historical trends, current developments, and future plans; - Assessed the robustness of the cashflow projections by comparing projections for previous year with actual results for such years to understand significant variance, if any; - Tested the arithmetical accuracy of valuation model and performed sensitivity analysis on the key assumptions such as expected growth rates and discount rate to evaluate the possible variation on the current recoverable amount to ascertain the sufficiency of headroom available; and - Assessed the appropriateness and adequacy of the disclosures made in the consolidated financial statements in accordance with the requirements of applicable accounting standards.

Key audit matters	How our audit addressed the key audit matters
Valuation of Employee Stock Options Plan (ESOP) Refer note 2(q) to the material accounting policy information and note 26 of the accompanying consolidated financial statements for the related disclosures of ESOP. The management of the Group has framed various ESOP schemes such as time linked and non-market performance linked, under which remuneration is paid to the employees for services received in the form of equity-settled share-based payment transactions. In accordance with the principles of Ind AS 102, "Share Based Payments" ('Ind AS 102'), the fair value of the aforesaid employee stock options determined as at the grant date is recognised as employee compensation cost over the vesting period of such options. The fair valuation of options granted to employees for the services rendered has been performed by management's external valuation expert as at the grant date using Black-Scholes valuation model which requires the management to make certain key estimates and assumptions including determination of fair value of underlying equity share, expected volatility, dividend yield, risk-free interest rate and achievement of performance conditions. Further, the fair valuation of underlying equity share as at grant date has been performed by managements expert applying appropriate weight on the value derived from two methods i.e. Discounted Cash-Flow model ('DCF') and Comparable Company Multiple ('CCM'), which involves the key estimates and assumptions such as discount rate, expected growth rates and identification of appropriate comparable companies for the CCM method of valuation. Considering significant management judgments and estimates involved and materiality of amount involved, valuation of ESOP is considered as a key audit matter for the current year audit.	Our audit procedures in relation to valuation of ESOP included, but were not limited to, the following: - Assessed the appropriateness of the Group's accounting policies relating to ESOP in accordance with Ind AS 102; - Obtained an understanding of the terms and arrangements of various ESOPs; - Evaluated the design and tested the operating effectiveness of key controls over the methodology, models and assumptions used by the management to determine the fair value of shares and options granted as at the respective grant dates; - Obtained management's external valuation expert's report on fair value of shares and options granted and assessed the professional competency, objectivity and independence of the management expert; - Involved auditor's expert to assist in evaluating appropriateness of valuation methodology and reasonableness of assumptions used by the management's expert in determining the fair value of shares and options granted; - Assessed the reasonableness of the management assumptions and estimates and verified the accuracy of inputs used for the valuation purpose on a sample basis; - Traced the cash flow projections used in determining fair value of shares with approved business plans; - Tested the arithmetical accuracy of computation of share-based payment expense; and - Assessed the appropriateness and adequacy of the disclosures made in the consolidated financial statements in accordance with the requirements of applicable accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive loss, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated 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 Holding 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;

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- Conclude on the appropriateness of Board of Directors' 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. 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.
 13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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

15. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹0.23 millions as at 31 March 2025, total revenues of Nil and net cash outflows amounting to ₹0.04 millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company, has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the subsidiaries incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements for the year ended 31 March 2025 and covered under the Act we report that the following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2025 for which such Order reports have been issued till date and made available to us.

S No	Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
1.	Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited)	L51909HR2018PLC073282	Holding Company	(vii)(a)
2.	Airplaza Retail Holdings Private Limited	U52399HR2008PTC086045	Subsidiary Company	(vii)(a)

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:
- 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 of the aforesaid consolidated financial statements;
 - Except for the matters stated in paragraph 18(h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - On the basis of the written representations received from the directors of the Holding Company, and its subsidiary and taken on record by the Board of Directors of the Holding Company and its subsidiary respectively and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Holding Company and its subsidiary are disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act;
 - The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and
 - 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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under the Act:

- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in note 34 to the consolidated financial statements;
- The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries covered under the Act, during the year ended 31 March 2025.
- The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, as disclosed in note 40(vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries, to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries, associates and joint ventures ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- The respective managements of the Holding Company and its subsidiaries, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, as disclosed in the note 40(viii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- The Holding Company and its subsidiaries have not declared or paid any dividend during the year ended 31 March 2025.
- As stated in note 42 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, except for the matters mentioned below, the Holding Company and its subsidiaries, in respect of financial year commencing on or after 1 April 2023, have used an accounting software for

INDEPENDENT AUDITOR'S REPORT (CONTD.)

maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with. Furthermore, the audit trail has been preserved by the Holding Company and above referred subsidiaries as per the statutory requirements for record retention

Nature of exception noted	Details of exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	i. The audit trail feature was not enabled at database level for accounting software used for maintenance of accounting records to log any direct data changes by the Holding Company and its two subsidiaries. ii. The audit trail feature was not enabled at database level for accounting software used for front end billing at retail outlets to log any direct data changes by one subsidiary.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature.	The accounting software used for maintenance of payroll records of the holding company and its one subsidiary are operated by a third-party software service provider. In the absence of any information on the existence of audit trail feature in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with AICPA Standard on Attestation Engagement SSAE 18 : Service organisation), we are unable to comment on whether audit trail feature at the database of the said software was enabled and operated throughout the year.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No.: 099514

UDIN: 25099514BMJKDK1517

Place: Gurugram

Date: 29 April 2025

ANNEXURE I

List of entities included in the consolidated financial statements

Holding Company

Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited)

Subsidiary companies

1. Airplaza Retail Holdings Private Limited;
2. Vishal Ecommerce Private Limited; and
3. Vishal Mega Mart CSR Trust

ANNEXURE II

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS 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 consolidated financial statements of Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

3. The audit of internal financial controls with reference to financial statements of one subsidiary, which is a company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently,

our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and a subsidiary company based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements of the Holding Company and a subsidiary company, as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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

ANNEXURE II (CONTD.)

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 WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that internal financial controls with reference to financial statements may become inadequate

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Holding Company and a subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Place: Gurugram

Date: 29 April 2025

Membership No.: 099514

UDIN: 25099514BMJKDK1517

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2025

(All amounts are in million of ₹ unless otherwise stated)

	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3A	6,950.73	5,918.20
Capital work-in-progress	3B	136.32	383.32
Right-of-use assets	3A	15,456.55	12,996.28
Goodwill	4	42,836.34	42,836.34
Other intangible assets	4	104.31	81.74
Financial assets			
Loans	6A		
(i) Other financial assets	6A	918.58	855.07
Deferred tax assets	25	2,312.99	2,181.71
Non-current tax assets (net)	7	151.00	39.60
Other non-current assets	8	46.02	48.07
Total non-current assets		68,912.84	65,340.33
Current assets			
Inventories	9	18,503.07	14,649.66
Financial assets			
(i) Investments	5	3,872.78	-
(ii) Trade receivables	10	664.44	317.42
(iii) Cash and cash equivalents	11A	3,969.60	869.59
(iv) Bank balances other than cash and cash equivalents	11B	667.05	319.34
(v) Other financial assets	6B	241.86	516.95
Other current assets	12	3,098.81	3,047.55
Total current assets		31,017.61	19,720.51
Total assets		99,930.45	85,060.84
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13A	45,974.28	45,087.19
Other equity	13B	18,038.74	11,131.26
Equity attributable to shareholders of the Holding Company		64,013.02	56,218.45
Total equity		64,013.02	56,218.45
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	33	12,218.44	10,248.49
Provisions	14A	369.16	310.41
Total non-current liabilities		12,587.60	10,558.90
Current liabilities			
Financial liabilities			
(i) Lease liabilities	33	5,075.38	4,585.39
(ii) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises; and		6,027.64	3,117.50
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,758.05	9,082.68
(iii) Other financial liabilities	16	829.03	854.12
Other current liabilities	17	2,419.89	456.96
Provisions	14B	219.84	186.84
Total current liabilities		23,329.83	18,283.49
Total liabilities		35,917.42	28,842.39
Total equity and liabilities		99,930.45	85,060.84

The accompanying notes form an integral part of these consolidated financial statements.

This is the consolidated balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No.: 099514

Place: Gurugram

Date: April 29, 2025

For and on behalf of the Board of Directors

Gunender Kapur

Managing Director & CEO

DIN : 01927304

Amit Gupta

Chief Financial Officer

Nishant Sharma

Non-executive Director

DIN : 03117012

Rahul Luthra

Company Secretary

Membership No.: F9588

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in million of ₹ unless otherwise stated)

	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
INCOME			
Revenue from operations	18	107,163.45	89,119.46
Other income	19	585.56	331.81
Total income		107,749.01	89,451.27
EXPENSES			
Purchases of stock-in-trade		80,486.73	64,208.47
Changes in inventories of stock-in-trade	20	(3,850.52)	252.06
Employee benefits expense	21	6,405.84	5,046.95
Depreciation and amortisation expenses	22	5,902.37	5,172.93
Finance costs	23	1,492.06	1,435.38
Other expenses	24	8,819.60	7,125.97
Total expenses		99,256.08	83,241.76
Profit before tax		8,492.93	6,209.51
Tax expense:			
Current tax	25	2,299.49	1,606.08
Deferred tax	25	(126.23)	(15.92)
Total tax expense		2,173.26	1,590.16
Profit for the year		6,319.67	4,619.35
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations		(20.03)	(19.55)
Income-tax relating to items that will not be reclassified to profit or loss		5.04	4.91
Other comprehensive loss for the year, net of tax		(14.99)	(14.64)
Total comprehensive income for the year, net of tax		6,304.68	4,604.71
Profit for the year attributable to:			
Owners of the Holding Company		6,319.67	4,619.35
Other comprehensive loss attributable to:			
Owners of the Holding Company		(14.99)	(14.64)
Total comprehensive income attributable to:			
Owners of the Holding Company		6,304.68	4,604.71
Earnings per equity share of ₹ 10 each	31		
- Basic (₹)		1.40	1.02
- Diluted (₹)		1.36	1.01

The accompanying notes form an integral part of these consolidated financial statements.

This is the consolidated statement of profit and loss referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No.: 099514

Place: Gurugram

Date: April 29, 2025

For and on behalf of the Board of Directors

Gunender Kapur

Managing Director & CEO

DIN : 01927304

Amit Gupta

Chief Financial Officer

Nishant Sharma

Non-executive Director

DIN : 03117012

Rahul Luthra

Company Secretary

Membership No.: F9588

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in million of ₹ unless otherwise stated)

	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	8,492.93	6,209.51
Adjustments for :		
Depreciation and amortisation expenses	5,902.37	5,172.93
Loss on disposal of property, plant and equipment (net)	24.60	16.03
Gain on fair valuation of investments	(36.01)	-
Gain on sale of investments	(340.58)	(132.33)
Interest income	(159.21)	(159.50)
Liabilities no longer required, written back	(38.38)	(68.29)
Gain on modification of leases	(46.64)	(30.06)
Finance costs	1,492.06	1,435.38
Share based payment expense	592.46	34.74
Operating profit before working capital changes	15,883.60	12,478.41
Adjustments for :		
(Increase) in trade receivables	(347.02)	(275.89)
(Increase)/decrease in inventories	(3,853.42)	257.72
Decrease in other financial assets	9.57	17.80
(Increase) in other assets	(52.03)	(236.90)
Increase/(decrease) in trade payables	2,622.23	(2,738.65)
Increase in other liabilities	1,961.40	12.85
Increase in provisions	76.77	73.71
Increase in financial liabilities	89.31	204.46
Cash generated from operations	16,390.41	9,793.51
Income-tax paid (net)	(2,399.73)	(1,496.81)
Net cash generated from operating activities	13,990.68	8,296.70
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work-in-progress, capital advances and capital creditors)	(2,638.40)	(2,493.57)
Proceeds from disposal of property, plant and equipment	28.73	30.95
Placement of fixed deposits	(8,642.08)	(180.23)
Proceeds from redemption of fixed deposits	8,575.00	782.71
Investment in mutual funds	(19,229.14)	(10,009.50)
Proceeds from sale of mutual funds	15,732.94	10,492.63
Interest received	67.96	76.47
Net cash used in investing activities	(6,104.99)	(1,300.54)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

	For the year ended March 31, 2025	For the year ended March 31, 2024
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	897.43	21.32
Payment on repurchase of employee share options	-	(3.22)
Repayment of non-current borrowings	-	(1,333.25)
Payment of principal portion of lease liabilities	(4,191.05)	(3,831.01)
Interest paid	(1,492.06)	(1,435.38)
Net cash used in financing activities	(4,785.68)	(6,581.54)
Net increase in cash and cash equivalents (A+B+C)	3,100.01	414.62
	869.59	454.97
Cash and cash equivalents at the end of the year	3,969.60	869.59
Components of cash and cash equivalents (Refer note 11A):		
Balances with scheduled banks	2,640.88	383.54
Cash on hand	646.12	374.80
Balance with cash management services	12.06	18.08
Credit card collection in transit	155.57	68.17
Deposits with original maturity of less than three months	514.97	25.00
	3,969.60	869.59

The consolidated statement of cash flows has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

Refer note 37 for reconciliation of liabilities arising from financing activities pursuant to Ind AS 7- Statement of Cash Flows

The accompanying notes form an integral part of these consolidated financial statements.

This is the consolidated statement of cash flows referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No.: 099514

Place: Gurugram

Date: April 29, 2025

For and on behalf of the Board of Directors

Gunender Kapur

Managing Director & CEO

DIN : 01927304

Amit Gupta

Chief Financial Officer

Nishant Sharma

Non-executive Director

DIN : 03117012

Rahul Luthra

Company Secretary

Membership No.: F9588

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in million of ₹ unless otherwise stated)

A. EQUITY SHARE CAPITAL: (REFER NOTE 13A)

	No. of shares	Amount
As at April 01, 2023	4,506,587,589	45,065.87
Exercise of employee share option during the year (refer note 26)	2,131,904	21.32
As at March 31, 2024	4,508,719,493	45,087.19
Exercise of employee share option during the year (refer note 26)	88,708,730	887.09
As at March 31, 2025	4,597,428,223	45,974.28

B. OTHER EQUITY: (REFER NOTE 13B)

	Reserve and surplus				Total
	Retained earnings	Share options outstanding account	Securities premium account	Capital reserve	
Balance as at April 01, 2023	5,529.15	473.92	739.46	(247.50)	6,495.03
Profit for the year	4,619.35	-	-	-	4,619.35
Other comprehensive loss (net of tax)	(14.64)	-	-	-	(14.64)
Total comprehensive income	4,604.71	-	-	-	4,604.71
Transactions with owners in their capacity as owners					
Employee share option expense	-	34.74	-	-	34.74
Transfer to securities premium on exercise of employee stock options	(5.90)	-	5.90	-	-
Employee share option re-purchased during the year	(1.28)	(1.94)	-	-	(3.22)
Securities premium received during the year	-	-	-	-	-
Balance as at March 31, 2024	10,126.68	506.72	745.36	(247.50)	11,131.26
Profit for the year	6,319.67				6,319.67
Other comprehensive loss (net of tax)	(14.99)				(14.99)
Total comprehensive income	6,304.68	-	-	-	6,304.68
Transactions with owners in their capacity as owners					
Employee share option expense	-	592.46	-	-	592.46
Transfer to securities premium on exercise of employee stock options (refer note 26)	-	(380.87)	380.87	-	-
Securities premium received during the year	-	-	10.34	-	10.34
Balance as at March 31, 2025	16,431.36	718.31	1,136.57	(247.50)	18,038.74

The accompanying notes form an integral part of these consolidated financial statements.

This is the consolidated statement of changes in equity referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No.: 001076N/N500013

Neeraj Goel

Partner
Membership No.: 099514

Place: Gurugram
Date: April 29, 2025

For and on behalf of the Board of Directors

Gunender Kapur

Managing Director & CEO
DIN : 01927304

Amit Gupta

Chief Financial Officer

Nishant Sharma

Non-executive Director
DIN : 03117012

Rahul Luthra

Company Secretary
Membership No.: F9588

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in million of ₹ unless otherwise stated)

1. COMPANY OVERVIEW

Vishal Mega Mart Limited (the "Company" or the "Holding Company") (formerly known as Vishal Mega Mart Private Limited), together with its subsidiaries/ entity, Airplaza Retail Holdings Private Limited, Vishal E-Commerce Private Limited and Vishal Mega Mart CSR Trust (the "Subsidiary Company/entity") are collectively referred to as the "Group" in these consolidated financial statements. The Holding Company was incorporated on March 26, 2018 under the provisions of the Companies Act, 2013 with its registered office in Plot No 184, Fifth floor, Platinum Tower, Platinum Tower, Gurugram, Udyog Vihar, Haryana, 122016. The group is in the wholesale and retail business of trading of apparels, fast moving consumer goods and general merchandise.

2. BASIS FOR PREPARATION AND MATERIAL ACCOUNTING POLICIES

a. Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs ('MCA') under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorised, have been considered in preparing these consolidated financial statements.

The MCA vide notifications dated August 12, 2024, September 9, 2024, September 28, and May 07, 2025 notified the Companies (Indian Accounting Standards) Amendments Rules, 2024; Companies (Indian Accounting Standards) Second Amendment Rules, 2024; Companies (Indian Accounting Standards) Third Amendment Rules, 2024 and Companies (Indian Accounting Standards) Amendment Rules, 2025 respectively, which amended certain accounting standards as given below and are effective from the respective dates:

- Disclosure of fair value - amendments to Ind AS 107. The amendment to Ind AS 107 have did not have any impact on the on the standalone financial statements.
- Guidance on insurance contracts - amendments to Ind AS 109. The amendments did not have any impact on the standalone financial statements.
- Scope of insurance contracts - amendments to Ind AS 115. The amendments did not

have any impact on the standalone financial statements.

- Accounting of sale and leaseback transactions - amendments to Ind AS 116. The amendments did not have any impact on the standalone financial statements.

b. Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared on accrual and going concern basis in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, ("the Act"), the applicable provisions of the Act, presentation requirements as per Division II of Schedule III of the Act and other accounting principles generally accepted in India.

These consolidated financial statements of the Group as at and for the year ended March 31, 2025 were approved and authorised for issue by Board of Directors on April 29, 2025.

c. Overall considerations

These consolidated financial statements have been prepared on going concern basis using the material accounting policies and measurement bases summarised below.

These accounting policies have been used throughout all periods presented in the consolidated financial statements, unless otherwise stated.

d. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts have been presented in crores, up to two decimals, unless otherwise indicated.

e. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Fair value of plain assets less present value of defined obligation
Share based payment	Fair value

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

f. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. An overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed is mentioned below. Areas involving critical estimates or judgements are:

- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used - Note 25;
- Estimation of current tax expense and payable – Note 25;
- Estimation of defined benefit obligation – Note 32;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 34;
- Assessment of potential markdown of inventory including shrinkage – Note 9;
- Leases: whether an arrangement contains a lease, determination of lease term, measurement of Right of Use (“ROU”) assets - Note 33;
- Determine grant date fair value technique for employee share option scheme - Note 26
- Impairment test of non-financial assets: key assumptions underlying recoverable amounts – Note 4
- Estimation of the useful life of the assets - Note 3A

Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

g. Measurement of fair values

A number of the Group’s accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further, information about the assumptions made in measuring fair values is included Note 27 – Financial instruments.

h. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Group’s normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Group’s normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax asset/liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

i. Basis of consolidation

Subsidiary/entity is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income (“OCI”)) of the subsidiary acquired or disposed of during

the period are recognised from the effective date of acquisition, or up to the date of disposal, as applicable.

The Group combines the financial statement of Holding Company and its subsidiary/entity line by line adding together items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between the group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides the evidence of impairment of the transferred asset. Accounting policies of the subsidiary have been changes where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity represent the portion of a subsidiary’s/ entity’s statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss (including each component of OCI) is attributed to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in the non-controlling interests have a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary/entity. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised with equity.

j. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price in accordance with Ind AS 115. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the Statement of profit and

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the profit or loss are recognised immediately in the Statement of profit and loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through the Statement of profit and loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through the profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in the Statement of profit and loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through the Statement of profit and loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through the Statement of profit and loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in the Statement of profit and loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of profit and loss. The net gain or loss recognised in the Statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investments in subsidiaries/entity

Investment in subsidiaries/entity are carried at cost in the financial statements, less accumulated impairment.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on net basis or to realise the assets and settle the liabilities simultaneously.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by Group are classified as either financial liabilities or as' equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

Compound financial instruments

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference fair value of compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity component in proportion to their initial carrying amounts.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

k. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs (if meeting the capitalisation criteria), less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of improvements to leasehold premises, if recognition criteria are met, have been capitalised and disclosed separately under leasehold improvement. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is provided on the straight-line method, over the estimated useful life of each asset as determined by the management. The useful lives prescribed in Schedule II to the Act are considered as indicative useful lives.

The estimated useful lives of items of property, plant and equipment are as follows

S. No.	Asset category	Useful life of assets (in years)
1.	Computer-end user device	3
2.	Servers and network	6
	Furniture and fixtures	7
	Office equipment	5
	Vehicles	
	- Lorry	8
	- Car	8
3.	Plant and machinery	
4.	- Air conditioner	7
5.	- Diesel generator	7
6.	- Lift	10
7.	- Electrical equipment	7

Leasehold improvements are amortised over the lease period.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above, best represent the period over which management expects to use these assets. Depreciation on additions/ (disposals) is provided on a pro-rata basis, i.e., from/ (upto) the date on which asset is ready for use/ (disposed off).

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable is estimated at each Balance Sheet date. An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of profit and loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Derecognition

Property, plant and equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in the statement of profit and loss.

I. Goodwill and other intangible assets

Goodwill

The Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value as at the date the control is acquired ("the acquisition date"), as are the net identifiable assets (tangible and intangible assets) acquired and any non-controlling interest in the acquired business. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed, in accordance with Ind AS 103 - Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortisation but tested for impairment at least annually, based on a number of factors, including operating results, business plans and future cash flows. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets and amortisation

Recognition and measurement

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and are carried at cost less accumulated amortisation

and impairment losses, if any. Gain or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the Statement of profit and loss when the asset is derecognised. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation of intangible assets is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the Statement of profit and loss.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate. Amortisation has been computed based on the following useful lives:

Asset category	Useful Life
Software	5 years

Derecognition

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in the statement of profit and loss.

m. Revenue recognition

Revenue from sale of traded goods is recognised upon transfer of control of promised products or services to customers. Revenue from sale of goods is recognised at a point in time, when the goods are delivered and on acceptance of such goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. The Company disaggregates revenue from contracts with customers on the basis of time, nature and geography.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered.

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method on a time proportionate basis.

Dividend income is recorded when the right to receive payment is established.

Payment terms

The Group carries on a cash and carry model and accordingly, payment against sale of goods is receipt at the time of sale itself.

Further, there are no financing component in the contract with customer and no variable consideration are involved in the transaction price.

Contract assets and contract liabilities

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other current liabilities in the balance sheet. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on Group's future performance. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. The Group

does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

n. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. Costs of inventories are determined on a weighted average cost method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

An inventory provision is recognised for cases where the net realisable value is estimated to be lower than the inventory carrying value. The Group estimates the net realisable value of inventories, taking into account the most reliable evidence available at each reporting date.

The future realisation of these inventories may be affected by fast-changing market where there is a risk of inventory falling out of trend that may reduce future selling prices.

Further, the Group carries physical verification of inventories lying at its stores across the country once every year on a perpetual basis to record for any shrinkages. For the period from last physical verification to the reporting date, the Group estimates a provision for unidentified shrinkage loss on the basis of actual shrinkage loss trend of historical period.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

o. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, balance held with cash management service agencies and credit card receivable, which are subject to an insignificant risk of changes in value, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

p. Leases

The Group as a lessee

The Group executes leasing arrangements for lease of buildings and office equipment. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 – Leases, at inception of the contract, the Group assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying 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 Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- it has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- it has the right to direct the use of the asset.

Measurement and recognition of leases as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated amortisation / impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is amortised using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Group has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term.

q. Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in

the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

Share based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to the eligible employees under the Employee Share Option Plan ('ESOP') is recognised as an employee share option scheme expense in the profit or loss, in relation to options granted to the employees, over the vesting period of the awards. For share-based payment awards with market conditions, the grant-date fair value of the share-based

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. At the end of each period, the Group revises its estimates of the number of options that are expected to be vested based on the non-market performance conditions at the vesting date.

r. Income taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

1. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

2. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they

can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

s. Provisions, contingent liabilities and contingent assets

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Provisions are reviewed at each Balance Sheet date 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 obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

t. Impairment of non- financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets and group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to raise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an assets in prior accounting periods may no longer exist or may have decreased.

u. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

(All amounts are in million of ₹ unless otherwise stated)

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

3A PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Leasehold improvements	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Vehicles	Total	Right-of-use assets
Gross block								
As at April 29, 2023	1,396.78	1,651.34	2,715.54	3,736.97	959.65	1.30	10,461.58	21,988.14
Additions during the year	338.46	391.87	537.90	1,024.58	382.28	-	2,675.09	5,536.47
Disposals	(12.09)	(18.79)	(52.66)	(120.90)	(14.13)	-	(218.57)	(177.68)
As at March 31, 2024	1,723.15	2,024.42	3,200.78	4,640.65	1,327.80	1.30	12,918.10	27,346.93
Additions during the year	375.43	619.41	749.70	751.90	226.25	-	2,722.69	6,941.44
Disposals	(32.62)	(200.37)	(24.48)	(441.76)	(21.03)	-	(720.27)	(487.29)
As at March 31, 2025	2,065.96	2,443.46	3,926.00	4,950.79	1,533.02	1.30	14,920.53	33,801.08
Accumulated depreciation								
As at April 01, 2023	992.89	874.56	1,409.77	1,928.88	623.58	1.30	5,830.98	10,618.60
Depreciation charge for the year [refer note (ii)]	113.05	213.49	335.63	524.94	153.40	-	1,340.51	3,846.70
Adjustment on disposal	(8.94)	(17.64)	(41.62)	(89.72)	(13.67)	-	(171.59)	(114.65)
As at March 31, 2024	1,097.00	1,070.41	1,703.78	2,364.10	763.31	1.30	6,999.90	14,350.65
Depreciation charge for the year [refer note (ii)]	173.52	259.55	399.09	594.51	210.18	-	1,636.85	4,256.46
Adjustment on disposal	(27.87)	(195.65)	(13.17)	(409.92)	(20.34)	-	(666.95)	(262.58)
As at March 31, 2025	1,242.65	1,134.31	2,089.70	2,548.69	953.15	1.30	7,969.80	18,344.53
Net carrying value								
As at March 31, 2024	626.15	954.01	1,497.00	2,276.55	564.49	-	5,918.20	12,996.28
As at March 31, 2025	823.31	1,309.15	1,836.30	2,402.10	579.87	-	6,950.73	15,456.55

Notes:

- Refer note 34(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Includes depreciation of ₹ 19.22 millions (March 31, 2024: ₹ 55.37 million) on right-of-use assets which has been capitalised in leasehold improvements.
- Refer note 38 for details of property, plant and equipments pledged as security.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

3B CAPITAL WORK-IN-PROGRESS

	Amount
As at April 01, 2023	685.21
Additions during the year	165.45
Capitalised during the year	(467.35)
As at March 31, 2024	383.32
Additions during the year	275.11
Capitalised during the year	(522.11)
As at March 31, 2025	136.32

	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2025					
- Projects in progress	126.42	9.90	-	-	136.32
- Projects temporarily suspended	-	-	-	-	-
	126.42	9.90	-	-	136.32
As at March 31, 2024					
- Projects in progress	146.69	236.63	-	-	383.32
- Projects temporarily suspended	-	-	-	-	-
	146.69	236.63	-	-	383.32

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

4 GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Other intangible assets - Softwares	Total other intangible assets
Gross carrying amount			
As at April 01, 2023	42,836.34	294.04	294.04
Additions during the year	-	33.54	33.54
As at March 31, 2024	42,836.34	327.58	327.58
Additions during the year	-	50.83	50.83
As at March 31, 2025	42,836.34	378.41	378.41
Accumulated amortisation			
As at April 01, 2023	-	204.80	204.80
Amortisation charge for the year	-	41.04	41.04
As at March 31, 2024	-	245.84	245.84
Amortisation charge for the year	-	28.26	28.26
As at March 31, 2025	-	274.10	274.10
Net carrying value			
As at March 31, 2024	42,836.34	81.74	81.74
As at March 31, 2025	42,836.34	104.31	104.31

Note:

The Group has identified its reportable segments, i.e. 'Contract Manufacturing and Wholesale and Retail Trading' as the only Cash Generating Unit (CGUs). The total carrying amount of goodwill as at March 31, 2025 is ₹ 42,836.34 million (March 31, 2024: ₹ 42,836.34 million). The same was acquired upon the merger with the erstwhile Vishal Mega Mart Private Limited amounting to ₹ 42,751.23 million and upon acquisition of the retail segment from Vishal Retail Limited (now V2 Retail Limited) amounting to ₹ 85.11 million.

In accordance with Ind AS 36 "Impairment of Assets", management tests goodwill for impairment annually and as the recoverable amount exceeds the carrying amount, no impairment loss has been recognised during the year.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

The recoverable amount of goodwill for impairment testing is determined based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering a five-year period, as the management believes this to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final year cash flows.

Following key assumptions were considered while performing impairment testing of goodwill:

	Approach used to determine the assumption	As at March 31, 2025	As at March 31, 2024
Sales growth rate	Annual growth rate over the five-year forecast period based on past performance and management's future expectations	19.60% to 23.00%	19% to 25%
Discount rate	Weighted Average Cost of Capital (WACC) computed as per Capital Asset Pricing Model (CAPM) model.	12.48%	15.00%
Terminal growth rate	This reflects the estimated sustainable long-term growth rate of the Group	5.00%	4.50%

Management has performed sensitivity analysis around the key assumptions and have concluded that no reasonable change in any key assumptions would cause the recoverable amount of the goodwill to be less than its carrying value.

5 CURRENT INVESTMENTS

	As at March 31, 2025	As at March 31, 2024
Quoted investments		
Investment in mutual funds (carried at fair value through profit or loss)		
498,209.48 units (March 31, 2024: Nil units)	2,020.71	-
in SBI Liquid Fund Direct Growth		
363,615.23 units (March 31, 2024: Nil units)	1,852.07	-
in HDFC Liquid Fund Direct Plan Growth Option		
	3,872.78	-
Note:-		
Aggregate amount of quoted investments and market value thereof	3,872.78	-
Aggregate book value of quoted investments	3,836.77	-

6A OTHER FINANCIAL ASSETS - NON CURRENT

	As at March 31, 2025	As at March 31, 2024
<i>(Unsecured, considered good, unless otherwise stated)</i>		
Security deposits		
- Considered good	918.14	846.92
- Credit impaired	-	10.69
Less: Provision for impairment	-	(10.69)
	918.14	846.92
Fixed deposits with banks with remaining maturity of more than twelve months [refer note (ii)]	0.41	7.77
Interest accrued on fixed deposits	0.03	0.38
	918.58	855.07

Notes:

- The Group exposure to financial risk and fair value measurement related to these financial instruments is disclosed in note 27.
- Fixed deposits amounting to ₹ 0.09 million (March 31, 2024 : ₹ 6.37 million) are pledged with the banks against overdraft limit and as security to government department.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

6B OTHER FINANCIAL ASSETS - CURRENT

	As at March 31, 2025	As at March 31, 2024
<i>(Unsecured, considered good)</i>		
Fixed deposits with banks with remaining maturity of less than twelve months [refer note (ii)]	23.33	281.96
Interest accrued on fixed deposits	1.99	13.39
Security deposits	177.90	174.74
Receivables from vendors	35.13	41.80
Others	3.51	5.06
	241.86	516.95

Notes:

- The Group exposure to financial risk and fair value measurement related to these financial instruments is disclosed in note 27.
- Fixed deposits amounting to ₹ 17.67 million (March 31, 2024 : ₹ 272.45 million) are pledged with the banks against overdraft limit and letter of credit.

7 NON-CURRENT TAX ASSETS (NET)

	As at March 31, 2025	As at March 31, 2024
Prepaid taxes [net of provision of current tax ₹ 2612.33 million (March 31, 2024 : ₹ 1777.85 million)]	151.00	39.60
	151.00	39.60

8 OTHER NON- CURRENT ASSETS

	As at March 31, 2025	As at March 31, 2024
<i>(Unsecured, considered good)</i>		
Capital advances	-	2.50
Advances other than capital advances:		
Prepaid expenses	0.96	0.96
Deposits with government authorities	45.06	44.61
	46.02	48.07

9 INVENTORIES

	As at March 31, 2025	As at March 31, 2024
<i>(Valued at lower of cost and net realisable value)</i>		
Traded goods [includes goods in transit of ₹ 1401.65 million (March 31, 2024: ₹ 475.93 million)]	18,434.61	14,584.09
Consumables	68.46	65.57
	18,503.07	14,649.66

Notes:

- Refer note 38 for details of inventories pledged as security.
- The Group on a periodic basis assesses the markdown of its aged and obsolete inventories including shrinkage. The amount of markdown including shrinkage charged to cost of goods sold is ₹ 484.91 million (March 31, 2024: ₹ 663.79 million). The provision at year end stands at ₹ 691.07 million (March 31, 2024: ₹ 824.54 million). The management believes that the above estimation is adequate.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

10 TRADE RECEIVABLES

Particulars	As at March 31, 2025	As at March 31, 2024
<i>(Unsecured, considered good)</i>		
Trade receivables	664.44	317.42
	664.44	317.42

Notes:

- Refer note 38 for details of trade receivables pledged as security.
- The carrying amounts of financial assets are considered to be a reasonable approximation of their fair values.
- No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Ageing schedule of trade receivable is as follows:

As at March 31, 2025	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 month	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	664.44	-	-	-	-	664.44
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	664.44	-	-	-	-	664.44

As at March 31, 2024	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 month	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	317.42	-	-	-	-	317.42
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	317.42	-	-	-	-	317.42

Note: There are no unbilled receivables, hence the same is not disclosed in the ageing above

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

11A CASH AND CASH EQUIVALENTS

	As at March 31, 2025	As at March 31, 2024
Balance with banks		
- in current accounts [refer note (i)]	2,640.88	383.54
- in fixed deposits with original maturity of upto three months	514.97	25.00
Cash on hand	646.12	374.80
Balance with cash management services [refer note (ii)]	12.06	18.08
Credit card collection in transit [refer note (iii)]	155.57	68.17
	3,969.60	869.59

Notes:

- (i) There are no restrictions with regard to cash and cash equivalents as at the year end of the reporting year and previous year except for the balance with banks in current accounts amounting to ₹ 13.22 million (March 31, 2024: ₹ 9.40 million) held in Unspent Corporate Social Responsibility account to be spent towards corporate social responsibility expenditure.
- (ii) Represents the amount of cash handed over to cash management services.
- (iii) Represents the amount of outstanding collection from credit card swipes by customers.

11B BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2025	As at March 31, 2024
Fixed deposits with banks with original maturity period of more than three months but less than twelve months*	645.81	312.74
Interest accrued on fixed deposits	21.24	6.60
	667.05	319.34

* Fixed deposits amounting to ₹ 407.73 million (March 31, 2024 : ₹ 255.89 million) are pledged with the banks against overdraft limit and letter of credit.

12 OTHER CURRENT ASSETS

	As at March 31, 2025	As at March 31, 2024
<i>(Unsecured, considered good)</i>		
Advances to suppliers	131.28	237.83
Balances with government authorities	2,876.88	2,728.38
Advances to employees	2.47	1.24
Prepaid expenses	88.18	80.10
	3,098.81	3,047.55

13A SHARE CAPITAL

	As at March 31, 2025	As at March 31, 2024
(a) Authorised		
5,860,000,000 equity shares (March 31, 2024: 5,860,000,000 equity shares) of ₹ 10 each	58,600.00	58,600.00
Issued, subscribed and fully paid up		
4,597,428,223 equity shares (March 31, 2024: 4,508,719,493 equity shares) of ₹ 10 each, fully paid-up	45,974.28	45,087.19

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

(b) Reconciliation of number of shares outstanding at the beginning and at the end of the year

	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Number	Amount	Number	Amount
Equity shares as at the beginning of the year	4,508,719,493	45,087.19	4,506,587,589	45,065.87
Add: Exercise of share option during the year	88,708,730	887.09	2,131,904	21.32
Equity shares as at the end of the year	4,597,428,223	45,974.28	4,508,719,493	45,087.19

(c) Terms/rights attached to equity shares

The Holding Company has one class of equity shares having at par value of ₹ 10 per share. Each shareholder is entitled to one vote per share with a right to receive per share dividend declared by the Holding Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Holding Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

(d) Details of shareholding more than 5% shares in the Holding Company:

Name of the shareholder*	As at March 31, 2025		As at March 31, 2024	
	Number	% of holding	Number	% of holding
Equity shares of ₹ 10 each fully paid up				
Samayat Services LLP	3,427,477,956	74.55%	4,453,118,981	98.77%

* As per records of the Company, including its register of members

(e) Details of equity shares held by promoter in the Holding Company as at the end of the year:

Promoter name*	As at March 31, 2025			As at March 31, 2024		
	Number	% of total shares	% change during the year**	Number	% of total shares	% change during the year**
Samayat Services LLP	3,427,477,956	74.55%	23.03%	4,453,118,981	98.77%	-

* Promoter here means promoter as defined in the Companies Act, 2013.

** Percentage change is computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

- (f) No shares have been issued pursuant to contract without payment being received in cash, allotted as fully paid-up shares by way of bonus issues nor has any bought back of shares happened during the period of five years immediately preceding the reporting date.

(g) Shares reserved for issue under options

Information relating to the Holding Company's Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of reporting period, is given in note 26.

- (h) The Holding Company has completed its Initial Public Offer (IPO) of 1,02,56,41,025 equity shares of face value of ₹ 10 each at an issue price of ₹ 78 per share and as a result the equity shares of the Holding Company has been listed on National Stock exchange of India Limited (NSE) and BSE Limited (BSE) on December 18, 2024. The issue comprised offer for sale of 1,02,56,41,025 equity shares by promoter selling shareholders aggregating upto ₹ 80,000 million.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

13B OTHER EQUITY

	As at March 31, 2025	As at March 31, 2024
<i>(Refer Statement of Changes in Equity)</i>		
Share options outstanding account	718.31	506.72
Securities premium account	1,136.57	745.36
Retained earnings	16,431.36	10,126.68
Capital reserve	(247.50)	(247.50)
	18,038.74	11,131.26

Nature of reserves:

Share options outstanding account

The Holding Company has implemented a share option schemes under which options to subscribe for the Holding Company's shares have been granted to certain executives and senior employees. The reserve is used to recognise the value of equity settled share options provided to such employees. See note 26 for further details.

Securities premium reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

Retained earnings

Retained earnings are the accumulated profits earned by the Group till date and it includes remeasurements of defined benefit obligations.

Capital reserve

Capital reserve is the difference of book value of assets of subsidiary and amount paid for acquisition of subsidiary.

14A PROVISIONS- NON CURRENT

	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits (refer note 32)		
Provision for gratuity	237.66	199.90
Provision for compensated absences	131.50	110.51
	369.16	310.41

14B PROVISIONS- CURRENT

	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits (refer note 32)		
Provision for gratuity	119.13	101.10
Provision for compensated absences	100.71	85.74
	219.84	186.84

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

15 TRADE PAYABLES

	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises [refer note (iii) below]	6,027.64	3,117.50
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,758.05	9,082.68
	14,785.69	12,200.18

Notes:

- The Group exposure to financial risk and fair value measurement related to these financial instruments is disclosed in note 27.
- For trade payables due to related parties, refer note 35.
- Ageing schedule of trade payables is as follows:

As at March 31, 2025	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	5,636.10	372.85	0.03	14.21	4.45	6,027.64
Total outstanding dues of creditors other than micro enterprises and small enterprises	295.48	4,611.59	3,579.63	160.72	57.28	53.35	8,758.05
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	295.48	10,247.69	3,952.48	160.75	71.49	57.80	14,785.69

As at March 31, 2024	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	2,812.53	280.03	21.03	1.65	2.26	3,117.50
Total outstanding dues of creditors other than micro enterprises and small enterprises	118.74	5,428.98	3,402.64	68.97	44.64	18.71	9,082.68
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	118.74	8,241.51	3,682.67	90.00	46.29	20.97	12,200.18

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

- (iv) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is given below.

Particulars	As at March 31, 2025	As at March 31, 2024
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each period;		
- Principal amount	6,027.64	3,117.50
- Interest	84.27	112.53
ii) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
iii) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	7348.19	5,714.68
iv) 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 MSMED Act, 2006	118.64	90.39
v) The amount of interest accrued for unpaid principal at the end of each accounting year	202.91	202.92
vi) 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 the MSMED Act, 2006	202.91	202.92

The above information has been compiled in respect of parties to the extent they could be identified as micro, small and medium enterprises on the basis of information available with the management as at the year end.

16 OTHER FINANCIAL LIABILITIES - CURRENT

	As at March 31, 2025	As at March 31, 2024
Employee benefits payable	538.05	447.92
Security deposits	10.55	11.38
Capital creditors [refer note (b) below]	280.43	394.82
	829.03	854.12

Notes:

- (a) The Group exposure to financial risk and fair value measurement related to these financial instruments is disclosed in note 27.
- (b) For other current financial liabilities payable to related parties, refer note 35.
- (c) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is given below.

	As at March 31, 2025	As at March 31, 2024
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	-	-
- Interest	-	-

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
ii) The amount of interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
iv) 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 MSMED Act, 2006	-	-
v) The amount of interest accrued for unpaid principal at the end of each accounting year	-	-
vi) 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 the MSMED Act, 2006	-	-

The above information has been compiled in respect of parties to the extent they could be identified as micro, small and medium enterprises on the basis of information available with the management as at the year end.

17 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liabilities -		
Advance from customers	41.53	30.43
Deferred revenue	120.50	107.33
Statutory dues payable	2,131.01	161.58
Others	126.85	157.62
	2,419.89	456.96

Significant changes in contract liabilities:	Advance from customers		Deferred revenue	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	30.43	18.69	107.33	86.94
Add: Addition during the year*	35.77	29.08	445.61	35.25
Less: Revenue recognised against the opening contract liabilities	(24.67)	(17.34)	(432.44)	(14.86)
Closing balance	41.53	30.43	120.50	107.33

* The addition in deferred revenue is net of expired loyalty points.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

18 REVENUE FROM OPERATIONS

	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of traded goods	107,005.98	88,919.45
	107,005.98	88,919.45
Other operating revenues		
- Scrap sales	32.66	55.66
- Display income / space rentals	14.82	16.80
- Rental income	20.46	59.26
- Miscellaneous income	89.53	68.29
	157.47	200.01
	107,163.45	89,119.46

Note:

Miscellaneous income includes liabilities no longer required written back amounting to ₹ 38.38 million (March 31, 2024: ₹ 68.29 million).

	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Revenue disaggregation on the basis of time is as follow:		
Point in time	107,128.17	89,043.40
Over time	35.28	76.06
B. Revenue disaggregation by geography is as follows:		
India	107,163.45	89,119.46
C. Revenue disaggregation by nature of products is as follows:		
- Apparels	47,046.56	39,013.21
- Fast moving consumer goods	29,737.71	24,473.09
- General merchandise	30,221.71	25,433.15
	107,005.98	88,919.45
D. Reconciliation of revenue as recognised in the statement of profit and loss with the contracted price:		
Revenue as per contract price	107,005.98	88,919.45
Less: Discount and rebates	-	-
Revenue as per the statement of profit and loss	107,005.98	88,919.45

E. Refer note 17 for significant changes in contract liabilities.

19 OTHER INCOME

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income on -		
- bank deposits carried at amortised cost	70.86	65.27
- income-tax refund	11.17	19.78
- security deposits at amortised cost	77.18	74.45
Gain on modification/termination of leases	46.64	30.06
Gain on sale of investments carried at fair value through profit or loss	340.58	132.33
Gain on fair valuation of investments carried at fair value through profit or loss	36.01	-
Miscellaneous income	3.12	9.92
	585.56	331.81

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

20 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year		
Traded goods	14,584.09	14,836.15
	14,584.09	14,836.15
Inventories at the end of the year		
Traded goods	18,434.61	14,584.09
	18,434.61	14,584.09
(Increase)/decrease of stock-in-trade	(3,850.52)	252.06

21 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	5,189.78	4,469.96
Contribution to provident and other funds (refer note 32)	426.73	372.95
Employee share option expense (refer note 26)	592.46	34.74
Staff welfare expenses	196.87	169.30
	6,405.84	5,046.95

Note:

Refer note 35 for transactions with related parties

22 DEPRECIATION AND AMORTISATION EXPENSES

	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment	1,636.85	1,340.51
Amortisation of right-of-use assets	4,237.24	3,791.38
Amortisation of other intangible assets	28.28	41.04
	5,902.37	5,172.93

23 FINANCE COSTS

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on financial liabilities at amortised cost	32.47	90.53
Interest on lease liabilities	1,459.43	1,342.10
Other borrowing costs	0.16	2.75
	1,492.06	1,435.38

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

24 OTHER EXPENSES

	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent and warehousing [refer note 33] [#]	432.14	298.18
Power and fuel	2,027.94	1,642.69
Rates and taxes	33.34	53.24
Insurance	73.60	62.17
Travelling and conveyance	195.01	151.20
Legal and professional fees ^{**}	254.66	256.04
Packaging and consumables	366.92	321.00
Transportation [#]	2,195.07	1,577.78
Repairs and maintenance on -		
- building	6.10	6.58
- plant and machinery	203.74	161.80
- others	291.03	255.47
Advertising and sales promotion	538.31	596.21
Loss on disposal of property, plant and equipment (net)	24.60	16.03
Bank charges	310.78	262.92
Manpower charges	498.23	354.98
Security charges	718.71	572.56
Housekeeping and office maintenance	411.75	341.51
Corporate social responsibility expenses	46.65	48.69
Loss on foreign exchange fluctuation	-	0.07
Miscellaneous expenses	191.02	146.85
	8,819.60	7,125.97

Note:

* Includes payments to auditors

[#] Refer note 35 for transactions with related parties

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
As auditor (excluding applicable taxes)		
- Statutory audit (including fees for limited review)	6.30	7.20
- Tax audit	0.70	0.65
- Other services	0.30	0.51
- Reimbursement of expenses	0.16	0.63
	7.46	8.99

[#]excluding applicable taxes

Note:

The above fee breakup excludes ₹ 27.80 million for the year ended March 31, 2025 (March 31, 2024: Nil) charged towards special purpose audit, certification and other services which is part of Initial Public Offering recovered from promoter selling shareholders.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

25. TAX EXPENSE

(a) Tax expense recognised in profit or loss

	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax expense	2,299.49	1,606.08
Deferred tax credit	(126.23)	(15.92)
	2,173.26	1,590.16

(b) Tax expense recognised in other comprehensive income

	For the year ended March 31, 2025	For the year ended March 31, 2024
Deferred tax credit on re-measurement of defined benefit obligations	5.04	4.91
	5.04	4.91

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 25.17% (March 31, 2024: 25.17%) and the reported tax expense in profit or loss are as follows:

(c) Reconciliation of effective tax rate

	For the year ended March 31, 2025	For the year ended March 31, 2024
Accounting profit before income tax	8,492.93	6,209.51
Income tax rate as per Income-tax Act, 1961	25.17%	25.17%
Tax using the Company or Group's domestic tax rate	2137.50	1562.80
Tax effect of adjustments to reconcile expected income-tax expense to reported income-tax expense:		
- Impact of non-deductible expenses	22.50	13.06
- Others	13.25	14.30
Total tax expenses	2,173.25	1,590.16

(d) Deferred tax assets

	For the year ended March 31, 2025	For the year ended March 31, 2024
Deferred tax asset arising on account of:		
Fair value adjustment in the carrying value of other intangible assets	137.91	146.83
Differences between accounting and tax bases of property, plant and equipment and other intangible assets	642.53	570.77
Employee benefit expenses	117.58	98.75
Right-of-use assets and lease liabilities	533.92	530.98
Others	881.05	834.38
Net deferred tax assets	2,312.99	2,181.71

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

(i) Changes in deferred tax assets from April 01, 2024 to March 31, 2025:

	Balance as at April 01, 2024	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at March 31, 2025
Deferred tax asset arising on account of				
Fair value adjustment in the carrying value of other intangible assets	146.83	(8.92)	-	137.91
Differences between accounting and tax bases of property, plant and equipment and other intangible assets	570.77	71.76	-	642.53
Employee benefit expenses	98.75	13.79	5.04	117.58
Right-of-use assets and lease liabilities	530.98	2.94	-	533.92
Others	834.38	46.66	-	881.05
	2,181.71	126.23	5.04	2,312.99

(ii) Changes in deferred tax assets from April 01, 2023 to March 31, 2024:

	Balance as at April 01, 2023	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at March 31, 2024
Deferred tax asset arising on account of				
Fair value adjustment in the carrying value of other intangible assets	155.74	(8.91)	-	146.83
Differences between accounting and tax bases of property, plant and equipment and other intangible assets	527.44	43.33	-	570.77
Employee benefit expenses	80.81	13.03	4.91	98.75
Right-of-use assets and lease liabilities	542.11	(11.13)	-	530.98
Others	854.78	(20.40)	-	834.38
	2,160.88	15.92	4.91	2,181.71

26 SHARE BASED PAYMENTS

The Holding Company established the Rishanth Employee Share Option Plan 2019 (amended as on 22 March 2024) ("the Plan") in January 2019. Under the Plan, the Holding Company has issued share options to eligible employees via ten schemes ("the Schemes") of the Plan. All options granted under the Schemes are equity settled and vest according to various service conditions ranging upto 6 years and a performance condition linked to desired threshold earnings before interest, depreciation and tax in the future. An exit event as defined in the Schemes can result in immediate vesting of all options. Each option entitles the holder thereof to apply for and be allotted equity shares of ₹ 10 each of the Holding Company, upon payment of the exercise price on date of exercise.

Options under performance vesting typically vest equally over five years starting from the first anniversary of date of grant. If the performance condition is not met, unvested options are carried forward to the next vesting date till the end of fourth year starting from the first anniversary of date of grant. Such carry forward options will vest at liquidity event described hereinafter. Options under exit vesting will vest after six years from date of grant, subject to liquidity event conditions. Options under time vesting typically vest over five years starting from the first anniversary of date of grant. Options granted can vest immediately on happening of a certain liquidity event, as determined by the shareholders, when they realise a pre-determined rate of return on their investment.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Below is a summary of options granted under the plan:

Particulars	Performance vested	Time vested	Exit linked	Total	Weighted average exercise price (in ₹)
Total no. of options granted till date	94,903,045	124,550,545	38,898,266		
Options outstanding at April 01, 2023	47,750,895	62,317,295	38,898,266	148,966,456	10.22
Options granted during the year	592,500	592,500	-	1,185,000	33.79
Options forfeited/ lapsed/ expired during the year	(503,438)	(930,038)	-	(1,433,476)	13.57
Options exercised during the year	-	-	-	-	-
Options outstanding at March 31, 2024	47,839,957	61,979,757	38,898,266	148,717,980	10.34
Options exercisable at the end of the year	32,439,589	54,038,075	-	86,477,664	10.17
Weighted average share price at the date of exercise	-	-	-	-	-
Weighted average remaining period (in years)	5.11 Years	5.29 Years	5.07 Years		
Exercise price (₹)	₹ 10/- to 35/-	₹ 10/- to 35/-	₹ 10.00/- to 15.70/-		
Options outstanding at April 01, 2024	47,839,957	61,979,757	38,898,266	148,717,980	10.34
Options granted during the year	31,500,000	39,867,500	-	71,367,500	38.02
Options forfeited/ lapsed/ expired during the year	(304,000)	(1,651,500)	-	(1,955,500)	29.28
Options exercised during the year	(37,383,365)	(51,325,365)	-	(88,708,730)	10.12
Options outstanding at March 31, 2025	41,652,592	48,870,392	38,898,266	129,421,250	25.42
Options exercisable at the end of the year	10,447,330	16,112,230	38,898,266	65,457,826	
Weighted average share price at the date of exercise	97.10	97.05	-		
Weighted average remaining period (in years)	7.95 Years	8.16 Years	4.07 Years		
Exercise price (₹)	₹10/- to 35/-	₹10/- to 65/-	₹10/- to 15.70/-		

The fair value of the options granted during the year, calculated by an external valuer, was estimated on the date of grant by an independent valuer using the Black Scholes option pricing model with the following significant assumptions. For measuring the impact of the exit and the liquidity event, monte carlo simulations were used in the below calculations.

Particulars	Performance vested	Time vested	Exit linked
Exercise price (₹)	₹35/-	₹35/- to 65/-	-
Fair value of option on grant date (₹)	19.00 - 23.07	19.00 - 38.63	-
Expected volatility (in %)	41% to 42%	35.30% to 42%	-
Average vesting period (in years)	1.00 to 5.00 Years	1.00 to 5.00 Years	-
Option life	10 years	10 years	-
Dividend yield (in %)	0%	0%	-
Risk-free interest rate (in %)	6.79% to 6.90%	6.60% to 6.90%	-
Share price at the grant date	₹37.00/- to 40.00/-	₹37.00/- to 70.00/-	-

Volatility was determined using historical data for comparable companies for corresponding term, excluding companies that did not have sufficient historical data. The risk free interest rates are determined based on current yield to maturity of Government of India Bonds with similar residual maturity equal to expected life of the options.

The related compensation cost has been calculated using fair value method as described above and the Group has recorded an expense of ₹ 592.46 million crores during the year (March 31, 2024: ₹34.74 million crore) under 'employee benefits expense. Further, certain employees have exercised options amounting to ₹ 380.87 million during the year ended March 31, 2025 (March 31, 2024: Nil) which has been accounted for in line with the provisions of Ind AS 102-Shared Based Payments.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

27 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

I. Fair value measurements

A. Financial instruments by category

	March 31, 2025			March 31, 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments	3,872.78	-	-	-	-	-
Trade receivables	-	-	664.44	-	-	317.42
Cash and cash equivalents	-	-	3,969.60	-	-	869.59
Bank balances other than cash and cash equivalents	-	-	667.05	-	-	319.34
Other financial assets	-	-	1,160.45	-	-	1,372.02
	3,872.78	-	6,461.54	-	-	2,878.37
Financial liabilities						
Trade payables	-	-	14,785.68	-	-	12,200.19
Lease liabilities	-	-	17,293.81	-	-	14,833.88
Other financial liabilities	-	-	829.03	-	-	854.12
	-	-	32,908.52	-	-	27,888.19

B. Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its consolidated financial instruments into the three levels prescribed under Ind AS 113. An explanation of each level follows underneath the table.”

Financial assets recognised and measured at fair value

Particulars	As at March 31, 2025				
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets					
Investments	3,872.78	3,872.78	-	-	3,872.78

Particulars	As at March 31, 2024				
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets					
Investments	-	-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

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. There have been no transfers between any of the above levels for the years ended March 31, 2025 and March 31, 2024.

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value
Investment in quoted mutual funds measured at fair value through profit or loss	The fair value of investment in mutual funds is determined using quoted NAV as at the balance sheet date	Not applicable	Not applicable

The carrying amounts of trade receivables, trade payables, current borrowings, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature. Other financial assets represents security deposits and other non-current financial assets represents bank deposits (due for maturity after twelve from the reporting date) and interest accrued but not due on bank deposits, the carrying value of which approximates the fair values as on the reporting date. For other financial liabilities/assets that are not measured at fair value, the carrying amounts are considered equal to their respective fair values.

II. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Board of directors of the respective companies included in the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The respective Board of directors has authorised respective business managers to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the business managers periodically to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in mutual funds.

The carrying amount of financial assets represents the maximum credit exposure. The Group monitor credit risk very closely in the market. The management's impact analysis shows credit risk and impact assessment as low.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

Particulars	March 31, 2025			March 31, 2024		
	Gross amount	Expected credit loss	Net amount	Gross amount	Expected credit loss	Net amount
Trade receivables	664.44	-	664.44	317.42	-	317.42
Cash and cash equivalents	3,969.60	-	3,969.60	869.59	-	869.59
Bank balances other than cash and cash equivalents	667.05	-	667.05	319.34	-	319.34
Other financial assets	1,160.45	-	1,160.45	1,382.71	(10.69)	1,372.02

Credit risk on cash and cash equivalents and bank balances other than cash and cash equivalents is limited as the Group generally invests in deposits with banks with high credit ratings assigned by credit rating agencies. Investments include investment in liquid mutual fund units. The other financial assets primarily represents security deposits given to landlords of premises taken on leases. Such deposit will be returned to the Group on returning the possession of premises as per the contract. The credit risk associated with such security deposits is relatively low.

The gross carrying amounts of trade receivables is disclosed in note 10 of the financial statements as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables	664.44	317.42

Detail of trade receivables that are past due is given below:-

Particulars	As at March 31, 2025	As at March 31, 2024
Not due and overdue less than 6 months	664.44	317.42
Overdue more than 6 months	-	-

The expected credit loss on trade receivables has been determined as follows under the simplified approach:

March 31, 2025

Particulars	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount as March 31, 2025	-	664.44	-	-	-	-	664.44
Expected loss rate	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	-	-
Carrying amount of trade receivables (net)	-	664.44	-	-	-	-	664.44

March 31, 2024

Particulars	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount as March 31, 2024	-	317.42	-	-	-	-	317.42
Expected loss rate	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	-	-
Carrying amount of trade receivables (net)	-	317.42	-	-	-	-	317.42

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Group's financial liabilities mainly comprises of borrowings, trade payables, lease liabilities and accrued bonus/expenses. The Group's credit period with buyers is higher than the credit period provided to customers, and the payments are generally settled within credit period, hence the Group's liquidity risk is low.

(a) Maturities of financial liabilities

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

	Carrying amounts as at March 31, 2025	Contractual cash flows				
		Total	Payable on demand	Less than 1 year	1-5 years	More than 5 years
Financial liabilities						
Trade payables	14,785.68	14,785.68	-	14,785.68	-	-
Lease liabilities (including interest)	17,293.81	21,639.61	-	5,417.47	13,858.44	2,363.70
Other financial liabilities	829.03	829.03	-	829.03	-	-
Total liabilities	32,908.52	37,254.32	-	21,032.18	13,858.44	2,363.70

	Carrying amounts as at March 31, 2024	Contractual cash flows				
		Total	Payable on demand	Less than 1 year	1-5 years	More than 5 years
Financial liabilities						
Trade payables	12,200.19	12,200.19	-	12,200.19	-	-
Lease liabilities (including interest)	14,833.88	18,589.75	-	4,911.12	11,620.84	2,057.79
Other financial liabilities	854.12	854.12	-	854.12	-	-
Total liabilities	27,888.19	31,644.06	-	17,965.43	11,620.84	2,057.79

(b) Undrawn borrowing facilities

The Group has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2025	As at March 31, 2024
Expiring within one year (bank loans)	2,500.00	2,500.00

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2025. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2025.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

(a) Foreign currency risk

The Group has certain import purchases for which payments are made in foreign exchange and hence exposes the Group to foreign exchange risk arising from foreign currency transactions. However, there is no outstanding foreign currency payable at the end of current and the previous reporting period. Further, the gain/ (loss) on such foreign currency transactions during the current and the previous year is not material.

(b) Interest rate risk

The Group's interest rate risk arises from bank deposits which are made at market rate of interest at the time of deposit. This exposes the Group to cash flow interest rate risk. However the variation in market rate of interest is not significantly high and the Group's interest bearing assets is also not significantly high, hence the impact of the same has been assessed as insignificant. Further, the interest rate on Group's borrowings is variable. The impact of change in interest rate on Group's borrowings is not significant.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets:		
Fixed rate instruments		
- Fixed deposits	1,184.53	627.48
Total	1,184.53	627.48
Variable-rate instruments		
- Rupee term loans	-	-
Total	-	-

Fair value sensitivity analysis for fixed-rate instruments

The Group's fixed rate instruments are carried at amortised cost. They are, therefore, not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (after tax) and equity by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year.

Particulars	March 31, 2025		March 31, 2024	
	Profit or loss (after tax) and equity		Profit or loss(after tax) and equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Rupee term loans	-	-	6.51	(6.51)

(c) Price risk

Exposure from investments in mutual funds:

The Group's exposure to price risk arises from investments in mutual funds held by the Group and classified in the balance sheet as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity

The sensitivity to profit or loss (after tax) and equity in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in corresponding impact on profits by ₹144.90 million (March 31, 2024: ₹Nil).

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

28 CAPITAL MANAGEMENT

For the purposes of the Group's capital management, capital includes equity attributable to the equity holders of the Group and all other equity reserves. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and maximise shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025 and March 31, 2024.

	As at March 31, 2025	As at March 31, 2024
Total debt	-	-
Less: Cash and cash equivalents	(3,969.60)	(869.59)
Net debt (A)	(3,969.60)	(869.59)
Total equity (B)	64,013.02	56,218.45
Gearing ratio (A/B)	-	-

29 GROUP INFORMATION

(a) Information about subsidiary/entity, the proportion of ownership interest held, country of incorporation and principal activities are as below:

Name of the entity	Principal activities	Country of incorporation	Ownership interest held by the Group		Ownership interest held by non- controlling interest	
			As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
			%	%	%	%
Airplaza Retail Holdings Private Limited	Business of retail trading of apparels, fast moving consumer goods and general merchandise	India	100%	100%	-	-
Vishal E-Commerce Private Limited	E-commerce business	India	100%	100%	-	-
Vishal Mega Mart CSR Trust	CSR activities	India	-	-	-	-

Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent								
Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited)	96.80%	61,963.04	74.78%	4,725.74	0.55%	(0.08)	74.95%	4,725.66
Indian subsidiaries/entity								
Airplaza Retail Holdings Private Limited	2.63%	1,686.19	22.57%	1,426.41	99.45%	(14.91)	22.39%	1,411.50
Vishal E-Commerce Private Limited	-	0.14	-	-	-	-	-	-
Vishal Mega Mart CSR Trust	-	0.06	(0.53%)	(33.41)	-	-	(0.53%)	(33.41)
Intercompany eliminations and consolidation adjustments	0.57%	363.59	3.18%	200.93	-	-	3.19%	200.93
Total	100.00%	64,013.02	100.00%	6,319.67	100.00%	(14.99)	100.00%	6,304.68

Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent								
Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited)	99.16%	55,747.49	68.81%	3,178.62	0.26%	(0.04)	69.03%	3,178.58
Indian subsidiaries/entity								
Airplaza Retail Holdings Private Limited	0.49%	274.69	14.47%	668.44	99.74%	(14.60)	14.20%	653.84
Vishal E-Commerce Private Limited	-	0.14	-	-	-	-	-	-
Vishal Mega Mart CSR Trust	-	0.14	(0.92%)	(42.29)	-	-	(0.92%)	(42.29)
Intercompany eliminations and consolidation adjustments	0.35%	195.99	17.64%	814.58	-	-	17.69%	814.58
Total	100.00%	56,218.45	100.00%	4,619.35	100.00%	(14.64)	100.00%	4,604.71

Note:
The above amounts/ percentage of net assets and net profit or loss in respect of Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited) and its subsidiaries/entity are determined based on the amounts of the respective entities included in the consolidated financial statement before inter-company eliminations/consolidation adjustments.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

31 EARNINGS PER EQUITY SHARE (EPS)

The calculation of profit attributable to equity shareholders and weighted average numbers of equity shares outstanding for purpose of basic/diluted earning per share calculation are as follows-

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
i. Profit attributable to equity shareholders for basic/diluted earnings per share	6,319.67	4,619.35
ii. Weighted average number of equity shares for basic earnings per share (in nos.)	4,518,074,629	4,507,496,269
iii. Effect of share options during the year (in nos.)	130,297,125	81,644,996
iv. Weighted average number of equity shares for diluted earnings per share (in nos.)	4,648,371,754	4,589,141,265
Basic earning per equity share of ₹ 10 each (₹)	1.40	1.02
Diluted earning per equity share of ₹ 10 each (₹)	1.36	1.01

32 EMPLOYEE BENEFIT PLANS

(i) Defined contribution plans

The Group, in respect of qualifying employees, contributes towards provident fund, labour welfare fund, employees' state insurance and national pension scheme. During the year, the Group has recognised the following amounts in the statement of profit and loss for:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's contribution to provident fund and labour welfare fund	360.89	315.67
Employer's contribution to employees' state insurance	60.27	53.71
Employer's contribution to national pension scheme	5.58	3.57
	426.74	372.95

(ii) Defined benefit plan:

The gratuity plan provides a lump sum payment to employees at retirement or termination of employment at an amount based on the respective employee's salary and the years of employment with the Group.

A. Reconciliation of present value of defined benefit obligation

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of defined benefit obligation at the beginning of the year	301.00	250.48
Interest cost	21.82	18.48
Current service cost	47.37	41.03
Benefits paid	(33.43)	(28.54)
Re-measurement loss recognised in other comprehensive income	20.03	19.55
Present value of defined benefit obligation at the end of the year	356.79	301.00

B. Reconciliation of present value of the obligations

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation	356.79	301.00
Net liability recognised in the balance sheet	356.79	301.00
Current	119.13	101.10
Non-current	237.66	199.90
	356.79	301.00

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

C. Expenses recognised in profit or loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	47.37	41.03
Interest cost	21.82	18.48
Total expenses recognised in profit or loss	69.19	59.51

D. Re-measurement loss recognised in other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Re-measurement loss		
- Loss due to financial assumptions	2.80	1.36
- Loss due to experience adjustment	17.23	18.19
Total expenses recognised in other comprehensive income	20.03	19.55

E. Maturity profile of defined benefit obligation

Particulars	As at March 31, 2025	As at March 31, 2024
1 Within the next 12 months	119.13	101.10
2 Between 1 and 2 years	107.07	88.77
3 Between 2 and 5 years	78.23	67.80
4 Between 5 and 10 years	52.36	43.33

F. Actuarial assumptions

a Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Group's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard. These valuation assumptions are as follows:

	As at March 31, 2025	As at March 31, 2024
Discount rate (in %)	7.06%	7.27%
Future salary increase (in %)	10.00%	10.00%

b Demographic assumptions

	As at March 31, 2025	As at March 31, 2024
(i) Retirement age (years)	60	60
(ii) Mortality rate inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
(iii) Attrition at ages		
Up to 30 years	15% - 65%	15% - 65%
From 31 to 44 years	15% - 65%	15% - 65%
Above 44 years	15% - 65%	15% - 65%

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

G. Sensitivity analysis

Reasonably possible changes at the reporting date to the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at March 31, 2025	As at March 31, 2024
a Discount rate		
0.5% increase	(4.62)	(4.04)
0.5% decrease	4.80	4.10
b Future salary increases rate		
0.5% increase	4.65	3.88
0.5% decrease	(4.52)	(3.77)

Sensitivities due to mortality and withdrawals are not material. Hence, impact of change is not calculated above.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

H. Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the Group is exposed to various risks as follow:

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

I. Other disclosures

Particulars	As at March 31, 2025	As at March 31, 2024
Average duration of the defined benefit obligation (in years)	1.10 - 5.64 years	1.09 - 5.67 years

The Group expects to make contributions of ₹ 63.92 million (March 31, 2024: ₹ 55.11 million) to the defined benefit plans during the next financial year.

J. Amount for the current and previous four years are as follows - gratuity:

	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Defined benefit obligation	356.79	301.00	250.48	216.46	190.75
Experience (loss)/gain adjustments on liabilities	(17.23)	(18.19)	(12.24)	(13.19)	13.39

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

(iii) Other long-term benefits:

An actuarial valuation of compensated absences has been carried out by an independent actuary using the Projected Unit Credit method. The amount recognised as an expense towards compensated absences for the year amounts to ₹ 95.88 million (March 31, 2024: ₹ 98.28 million). As at March 31, 2025, provision for compensated absences amounts to ₹ 232.21 million (March 31, 2024: ₹ 196.25 million) presented as provision for employee benefits in note 14A and 14B - Provisions.

The compensated absences cover the Group's liability for earned leaves. The Group does not have an unconditional right to defer the settlement for obligation classified as current provision balance. However, based on past experience, the Group does not expect all the employees to avail the entire outstanding leaves within next twelve months, therefore, based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current.

33 i) Lease liabilities are presented in the balance sheet as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Current	5,075.38	4,585.39
Non-current	12,218.44	10,248.49
Total	17,293.82	14,833.88

The maturity analysis of lease liabilities are disclosed hereunder. Also refer note 27(II)(ii).

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	Principal	Interest	Total payments	Principal	Interest	Total payments
Less than 1 year	4,032.83	1,384.64	5,417.47	3,735.21	1,175.91	4,911.12
1-5 years	11,401.49	2,456.95	13,858.44	9,627.76	1,993.08	11,620.84
More than 5 years	1,859.50	504.20	2,363.70	1,470.91	586.88	2,057.79
Total	17,293.82	4,345.79	21,639.61	14,833.88	3,755.87	18,589.75

Refer note 37 for reconciliation of liabilities arising from financing activities pursuant to Ind AS 7- Statement of Cash Flows

The Group has executed lease arrangements for office and business premises. With the exception of short-term leases and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security against the Group's other debts and liabilities. For leases over office buildings and business premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group is required to insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The Group has considered automatic extension option available for the property leases in lease period assessment since the Group can enforce its right to extend the lease beyond the initial lease period as the Group is likely to be benefited by exercising the extension option.

ii) The following are amounts recognised in the statement of profit and loss:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amortisation of right-of-use assets*	4,237.24	3,791.38
Interest on lease liabilities	1,459.43	1,342.10
Rent expense	432.14	298.18
Total	6,128.81	5,431.66

*Net of depreciation amounting to ₹ 19.22 million (March 31, 2024: ₹ 55.32 million) capitalised in leasehold improvements.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

iii) Lease payments not recognised as a liability

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Expenses relating to short term leases (included in other expenses)	432.14	298.18

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹ 432.14 million (March 31, 2024: ₹ 298.18 million).

iv) At March 31, 2025 and March 31, 2024, the Group was not committed to any liability towards short-term leases.

v) Total cash outflow for leases for the year ended March 31, 2025 was ₹ 6082.61 million (March 31, 2024: ₹ 5,471.29 million) [including ₹ 432.14 million (March 31, 2024 - ₹ 298.18 million) paid towards the aforementioned short-term leases].

vi) The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	Right-of-use assets leased (in nos.)	Range of remaining term (in years)	Average remaining lease term (in years)
Warehouses, retail outlets and other offices	637	0 - 13.09	3.24 - 6.41 years

The Group has a right to extend/terminate its leasing arrangements beyond the initial agreement/lock in period. For the assessment of lease term as per Ind AS 116, the management of the Group has considered the extension options and not considered the early termination options wherever available for its property leases in its lease period assessment since the Group is likely to be benefit from a longer lease tenure.

34 CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2025	As at March 31, 2024
a) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	261.98	181.78
b) Contingent liabilities		
Claims against the Group not acknowledged as debts to the extent not provided for-		
Income tax matters [amount paid under protest ₹28.31 million (March 31, 2024: ₹28.31 million)]*	97.88	97.88
Indirect tax matters [amount paid under protest ₹ 14.85 million (March 31, 2024: ₹ 13.93 million)]**	50.51	43.55
Other matters***	718.69	566.18
	867.07	707.61

c) Other contingencies

There are some other income tax litigations for few assessment years wherein income tax authorities have made certain disallowances, however, there is no demand raised by them due to losses. In view of the management, these matters would be decided in favour of the Group and accordingly, chances of liability materialising are remote.

* Represents demand raised by Income tax authorities on account of disallowance of certain expense.

** Represents demand raised by central sales tax, value added tax and goods and service tax authorities.

*** Includes various other claims made by vendors, ex-employees and various government authorities.

It is not practicable for the Group to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings. The Group has assessed that it is only possible, but not probable, that outflow of economic resources will be required in respect of the above proceedings."

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

35 INFORMATION ON RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 - RELATED PARTY DISCLOSURES

A Related parties and their relationships*

Relationship	Name of the related party
(a) Ultimate Holding Company	Samayat Services LLP
(b) Entities which exercise control over the Group	Kedaara Capital Fund II LLP, Ultimate Holding Company
	Rishay Services LLP
	Rishanth Services LLP
(c) Key management personnel*	Mr. Gunender Kapur (Director and CEO) (with effect from June 27, 2024)
	Mr. Rohit Jindal (Managing Director and CEO) (till June 24, 2024)
	Mr. Amit Gupta (CFO)
(d) Other related parties	Mr. John Thomson Wyatt (Director) (till July 03, 2024)
	Mr. Manas Tandon (Director)
	Mr. Nishant Sharma (Director)
	Mr. Sanjeev Aga (Director)
	Mr. Walter Heinz Keller (Director) (till July 03, 2024)
	Ms. Neha Bansal (Independent Director)
	Ms. Soumya Rajan (Independent Director)
	(with effect from May 31, 2024)

* Above related parties do not include key management personnel of subsidiary companies and their close family members.

B Related party transactions

Particulars	Year ended	Ultimate Holding Company	Entities which exercise control over the Group	Key Management Personnel	Other related parties	Total
Transportation charges						
Samayat Services LLP	March 31, 2025	609.22	-	-	-	609.22
	March 31, 2024	255.89	-	-	-	255.89
Warehousing charges						
Samayat Services LLP	March 31, 2025	260.14	-	-	-	260.14
	March 31, 2024	163.75	-	-	-	163.75
Legal and professional expense						
Rishay Services LLP	March 31, 2025	-	8.99	-	-	8.99
	March 31, 2024	-	8.99	-	-	8.99
Rishanth Services LLP	March 31, 2025	-	40.14	-	-	40.14
	March 31, 2024	-	33.48	-	-	33.48
Managerial remuneration						
Mr. Gunender Kapur	March 31, 2025	-	-	350.83	-	350.83
	31 March 2023	-	-	127.15	-	127.15
Mr. Amit Gupta	March 31, 2025	-	-	70.56	-	70.56
	March 31, 2024	-	-	24.54	-	24.54
Mr. Rohit Jindal	March 31, 2025	-	-	102.67	-	102.67
	March 31, 2024	-	-	-	-	-
Annual remuneration						
Ms. Neha Bansal	March 31, 2025	-	-	-	3.50	3.50
	March 31, 2024	-	-	-	2.99	2.99
Ms. Soumya Rajan	March 31, 2025	-	-	-	3.50	3.50
	March 31, 2024	-	-	-	-	-

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Category-wise break up of compensation to key management personnel

Particulars	March 31, 2025	March 31, 2024
Short-term employee benefits	226.88	125.23
Share-based payment transactions	291.94	21.90
Defined contribution plan	5.24	4.56

Notes:

- The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.
- The above remuneration excludes provision for gratuity and leave benefits as separate actuarial valuation is not available.

C Balances outstanding at the year end

Particulars	As at	Ultimate Holding Company	Entities which exercise control over the Group	Key Management Personnel	Other related parties	Total
Trade payables						
Samayat Services LLP	March 31, 2025	280.05	-	-	-	280.05
	March 31, 2024	128.71	-	-	-	128.71
Rishay Services LLP	March 31, 2025	-	1.31	-	-	1.31
	March 31, 2024	-	0.67	-	-	0.67
Rishanth Services LLP	March 31, 2025	-	5.31	-	-	5.31
	March 31, 2024	-	1.75	-	-	1.75
Ms. Neha Bansal	March 31, 2025	-	-	-	3.50	3.50
	March 31, 2024	-	-	-	2.25	2.25
Ms. Soumya Rajan	March 31, 2025	-	-	-	3.50	3.50
	March 31, 2024	-	-	-	-	-
Employee benefits payable						
Mr. Gunender Kapur	March 31, 2025	-	-	55.00	-	55.00
	March 31, 2024	-	-	55.00	-	55.00
Mr. Amit Gupta	March 31, 2025	-	-	8.63	-	8.63
	March 31, 2024	-	-	8.63	-	8.63

- The above disclosed related party transactions were made on terms equivalent to those that prevail in arm's length transactions.
- All outstanding balances are unsecured and payable in cash except outstanding share based payments which are in kind.

36 SEGMENT INFORMATION

The Group primarily operates in the contract manufacturing and wholesale and retail trading. Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker ('CODM') does the evaluation of the Group's performance at an overall Group level as one segment, i.e. 'Trading of wholesale and retail sales'.

The Holding Company's Board of Directors have been identified as the CODM, since they are responsible for all major decisions with respect to the preparation and execution of business plan, preparation of budget, planning, directing and business expansions.

The Group is domiciled in India and derives its entire revenue from trading of goods and rendering of services in India. Moreover, all the assets/ liabilities are located in the Group's country of domicile, i.e., India.

The sale of goods is made to external customers using a cash and carry model and accordingly there is no such single customer who contributes more than 10% of total revenue

Refer note 18 for details of product and services.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

37 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES PURSUANT TO IND AS 7- STATEMENT OF CASH FLOWS

The changes of the Group's liabilities arising from financing activities can be classified as follows:

S. No.	Particulars	Non-current borrowings	Lease liabilities	Total
	Balance as at April 01, 2023	1,334.96	13,281.28	14,616.24
i.	Cash flows:			
	Repayment of non-current borrowings	(1,333.25)	-	(1,333.25)
	Interest paid	(92.24)	(1,342.10)	(1,434.34)
	Payment of principal portion of lease liabilities	-	(3,831.01)	(3,831.01)
ii.	Non-cash flows:			
	Interest accrued during the year	90.53	-	90.53
	Interest on lease liabilities	-	1,342.10	1,342.10
	Recognition of lease liabilities under Ind AS 116 - Leases	-	5,383.61	5,383.61
	Balance as at March 31, 2024	-	14,833.88	14,833.88
i.	Cash flows:			
	Repayment of non-current borrowings	-	-	-
	Interest paid	-	(1,459.43)	(1,459.43)
	Payment of principal portion of lease liabilities	-	(4,191.05)	(4,191.05)
ii.	Non-cash flows:			
	Interest accrued during the year	-	-	-
	Interest on lease liabilities	-	1,459.43	1,459.43
	Recognition of lease liabilities under Ind AS 116 - Leases	-	6,650.99	6,650.99
	Balance as at March 31, 2025	-	17,293.82	17,293.82

- 38 (i) The Holding Company has cash credit facilities and working capital limits which are secured by hypothecation of all inventories including those in transit, receivables, book debts on pari passu basis, equitable mortgage. The rate of interest ranges between 8.10% to 9.50% (March 31, 2024: 8.00% to 8.10%) per annum in respect of the same.
- (ii) The cash credit facilities and working capital limits have been used for the specific purpose for which they are taken. However, there is no outstanding balance as on reporting date.
- (iii) Details of quarterly statements of current assets filed by the Company with the banks and reasons of material discrepancies:

For the year ended March 31, 2025

Quarter ended	Name of bank	Securities provided	Amount as per books of account	Amount as per quarterly statement	Variance	Reason for material discrepancies
June 30, 2024	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	1,198.66	1,198.66	-	No variance noted
September 30, 2024	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	1,526.15	1,526.15	-	No variance noted

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Quarter ended	Name of bank	Securities provided	Amount as per books of account	Amount as per quarterly statement	Variance	Reason for material discrepancies
December 31, 2024	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	1,068.68	1,068.68	-	No variance noted
March 31, 2025	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	2,326.54	1,615.54	711.00	Variance is owing to goods in-transit pertaining to the Company not considered while submission of the quarterly statement.

For the year ended March 31, 2024

Quarter ended	Name of bank	Securities provided	Amount as per books of account	Amount as per quarterly statement	Variance	Reason for material discrepancies
June 30, 2023	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	2,264.48	2,264.48	-	No variance noted
September 30, 2023	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	3,511.94	3,511.94	-	No variance noted
December 31, 2023	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	2,035.55	2,035.55	-	No variance noted
March 31, 2024	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	3,476.95	3,024.19	452.76	Variance is owing to goods in-transit pertaining to the Company not considered while submission of the quarterly statement.

- 39 The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Group will evaluate the impact and make necessary adjustments to the consolidated statements in the period when the Code will come into effect.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

40 OTHER STATUTORY INFORMATION

- (i) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year ended March 31, 2025 and for the year ended March 31, 2024.
- (ii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (iii) The Group has not been declared wilful defaulter by any bank or other lenders.
- (iv) The Group had below transactions with companies whose name has been struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (v) The Group does not have any charges or satisfaction which is yet to be registered with Registrars of Companies ('ROC') beyond the statutory period.
- (vi) The Group has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (vii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the current and preceding year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- (x) The Group has not traded or invested in crypto currency or virtual currency during the current and the preceding financial year.
- (xi) The Group does not hold any immovable properties during the current and preceding financial year.
- (xii) The Holding Company has made preferential allotment of shares during the current year and the same has been utilised by the Holding Company for the purposes for which these funds were raised.
- (xii) The Group has not entered into the scheme of arrangement in the current year and preceding financial year.

- 41 There are no significant events or transactions occurring after the balance sheet which would require any adjustment in the consolidated financial statements.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

- 42 to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

During the current year, the audit trail (edit logs) feature for any direct changes made at the database level was not enabled for the accounting software used for maintenance of accounting records by the holding company and two subsidiaries.

During the current year, the audit trail (edit logs) feature for any direct changes made at the database level was not enabled for the accounting software used for front end billing at retail outlets by one subsidiary.

Further, accounting software used for payroll processing of the Holding company and its one subsidiary is operated by a third party software service provider and the availability of audit trail (edit logs) at the database levels are not covered in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with AICPA Standards of Attestation Engagement SSAE 18 : Service organisation).

This is the summary of material accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No.: 099514

Place: Gurugram

Date: April 29, 2025

For and on behalf of the Board of Directors

Gunender Kapur

Managing Director & CEO

DIN : 01927304

Amit Gupta

Chief Financial Officer

Nishant Sharma

Non-executive Director

DIN : 03117012

Rahul Luthra

Company Secretary

Membership No.: F9588

INDEPENDENT AUDITOR'S REPORT

To the Members of Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited)

Report on the Audit of the Standalone Financial Statements

OPINION

1.

We have audited the accompanying standalone financial statements of Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited) ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Loss), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit (including other
5.

We have determined the matters described below to be the key audit matters to be communicated in our report.

- comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

3.

We conducted our audit in accordance with the Standards on Auditing 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 Standalone 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone 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 opinion.

KEY AUDIT MATTERS

4.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Impairment assessment of Goodwill	
Refer note 2(k) for the material accounting policy information and note 4 of the accompanying standalone financial statements for the related disclosures of Goodwill and its impairment assessment. As at 31 March 2025, the Company is carrying Goodwill amounting to ₹ 36,142.28 millions in the standalone financial statements, which represents 46% of the total assets of the Company. The management has identified "contract manufacturing and wholesale and retail trading" as a cash generating unit (CGU) and entire Goodwill has been allocated to this CGU. In accordance with Ind AS 36, "Impairment of Assets" ('Ind AS 36'), the Company performs annual impairment assessment of Goodwill by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU, which is higher of its value in use and fair value less costs of disposal.	Our audit procedures in relation to impairment assessment of goodwill included, but were not limited to, the following: - Obtained an understanding of management's process for identification of CGU and impairment assessment of goodwill and assessed the appropriateness of the Company's accounting policies relating to impairment of non-financial assets in accordance with Ind AS 36; - Evaluated the design and tested the operating effectiveness of key controls over the impairment assessment process; - Obtained management's external valuation expert's report for determining recoverable amount of CGU and assessed the objectivity, professional competency and independence of the management expert;

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Key audit matters	How our audit addressed the key audit matters
The management's assessment of the recoverable amount of CGU involves significant management judgement and estimation such as forecasting future cash flow projections, expected growth rates and discount rate which are affected by management's future market expectations and economic conditions. Considering the significance of the amounts involved and high estimation uncertainty and significant management judgment involved in determining recoverable amount, the impairment assessment of goodwill is considered as a key audit matter for the current year audit.	- Involved auditor's expert to assist in evaluating appropriateness of valuation methodology and reasonableness of the assumptions used by the management's expert to calculate the recoverable value of the CGU; - Traced the cash flow projections used in the impairment assessment with approved business plans; - Assessed the reasonableness of the assumptions used in the valuation model based on historical trends, current developments, and future plans; - Assessed the robustness of the cashflow projections by comparing projections for previous year with actual results for such years to understand significant variance, if any; - Tested the arithmetical accuracy of valuation model and performed sensitivity analysis on the key assumptions such as expected growth rates and discount rate to evaluate the possible variation on the current recoverable amount to ascertain the sufficiency of headroom available; and - Assessed the appropriateness and adequacy of the disclosures made in the standalone financial statements in accordance with the requirements of applicable accounting standards.
Valuation of Employee Stock Options Plan (ESOP)	
Refer note 2(p) to the material accounting policy information and note 26 of the accompanying standalone financial statements for the related disclosures of ESOP. The management of the Company has framed various ESOP schemes such as time linked and non-market performance linked, under which remuneration is paid to the employees for services received in the form of equity-settled share-based payment transactions. In accordance with the principles of Ind AS 102, "Share Based Payments" ('Ind AS 102'), the fair value of the aforesaid employee stock options determined as at the grant date is recognised as employee compensation cost over the vesting period of such options.	Our audit procedures in relation to valuation of ESOP included, but were not limited to, the following: - Assessed the appropriateness of the Company's accounting policies relating to ESOP in accordance with Ind AS 102; - Obtained an understanding of the terms and arrangements of various ESOPs; - Evaluated the design and tested the operating effectiveness of key controls over the methodology, models and assumptions used by the management to determine the fair value of shares and options granted as at the respective grant dates; - Obtained management's external valuation expert's report on fair value of shares and options granted and assessed the professional competency, objectivity and independence of the management expert; - Involved auditor's expert to assist in evaluating appropriateness of valuation methodology and reasonableness of assumptions used by the management's expert in determining the fair value of shares and options granted;

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Key audit matters	How our audit addressed the key audit matters
The fair valuation of options granted to employees for the services rendered has been performed by management's external valuation expert as at the grant date using Black-Scholes valuation model which requires the management to make certain key estimates and assumptions including determination of fair value of underlying equity share, expected volatility, dividend yield, risk-free interest rate and achievement of performance conditions. Further, the fair valuation of underlying equity share as at grant date has been performed by managements expert applying appropriate weight on the value derived from two methods i.e. Discounted Cash-Flow model ("DCF") and Comparable Company Multiple ("CCM"), which involves the key estimates and assumptions such as discount rate, expected growth rates and identification of appropriate comparable companies for the CCM method of valuation. Considering significant management judgments and estimates involved and materiality of amount involved, valuation of ESOP is considered as a key audit matter for the current year audit.	- Assessed the reasonableness of the management assumptions and estimates and verified the accuracy of inputs used for the valuation purpose on a sample basis; - Traced the cash flow projections used in determining fair value of shares with approved business plans; - Tested the arithmetical accuracy of computation of share-based payment expense; and - Assessed the appropriateness and adequacy of the disclosures made in the standalone financial statements in accordance with the requirements of applicable accounting standards.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring

INDEPENDENT AUDITOR'S REPORT (CONTD.)

the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

- Our objectives are to obtain reasonable assurance about whether the standalone 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 Standards on Auditing 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 standalone financial statements.
- As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone 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 Board of Directors' 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 standalone 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; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, 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 of the accompanying standalone financial statements;
 - b) Except for the matters stated in paragraph 17(h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone 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 2025 from being appointed as a director in terms of section 164(2) of the Act;

- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended));
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
- 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, as detailed in note 33 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2025;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025;
 - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 41(vii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any

guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 41(viii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under

sub-clauses (a) and (b) above contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year ended 31 March 2025.
- vi. As stated in note 43 to the standalone financial statements and based on our examination which included test checks, except for matters mentioned below, the Company, in respect of financial year commencing on or after 1 April 2024, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below. Furthermore, except for matters mentioned below, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Nature of exception noted	Details of exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature was not enabled at database level for accounting software to log any direct data changes used for maintenance of all accounting records by the Company
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature.	The accounting software used for maintenance of payroll records of the Company is operated by a third-party software service provider. In the absence of any information on the existence of audit trail feature in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with AICPA Standard on Attestation Engagement SSAE 18 : Service organisation), we are unable to comment on whether audit trail feature at the database of the said software was enabled and operated throughout the year.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner

Membership No.: 099514
UDIN: 25099514BMJKDL8797

Place: Gurugram
Date: 29 April 2025

ANNEXURE I

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically 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 programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has adopted cost model for its property, plant and equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.
- (b) As disclosed in note 39 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 Crore by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review, except for the following:

Name of the bank	Working capital limit sanctioned (₹ in million)	Nature of current assets offered as security	Quarter ended	Information disclosed as per statement (₹ in million)	Information as per books of accounts (₹ in million)	Difference (₹ in million)	Remarks/ reason, if any
HDFC Bank, Axis Bank and Kotak Mahindra Bank	2,500.00	Pari-passu charge on current assets	March 31, 2025	1,615.54	2,326.54#	(711.00)	Refer note 39 to the standalone financial statements

Per books of accounts which were subject to audit

- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.

ANNEXURE I (CONTD.)

- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (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/ business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, 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 with the appropriate authorities, though provident fund and employees' state insurance have not generally been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payables in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Due date	Date of payment
Employee Provident Fund Act, 1991	Provident fund	0.64	FY 2022-23 to FY 2024-25	Various dates	Unpaid

- (b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	2.10	1.92	FY 2010-11 to FY 2013-14 and FY 2017-18	Commissioner of income tax (appeals)
Delhi Value Added Tax Act, 2004	Sales tax/ value added tax	0.00*	-	FY 2012-13	Appellate authority
Madhya Pradesh VAT Act, 2002	Sales tax/ value added tax	1.45	1.45	FY 2015-16	Appellate authority
Uttar Pradesh Value Added Tax Act, 2008	Sales tax/ value added tax	0.32	0.32	FY 2012-13	Appellate authority
Central Sales Tax Act	Sales tax/ value added tax	0.02	-	FY 2012-13	Appellate authority
Central Sales Tax Act	Sales tax/ value added tax	0.07	-	FY 2012-13	Appellate authority
Goods & Service Tax Act	Goods & service tax	2.14	0.10	FY 2018-19	Appellate authority
Goods & Service Tax Act	Goods & service tax	1.40	0.34	FY 2012-13, FY 2014-15, FY 2015-16 and FY 2024-25	Deputy commissioner, Varanasi
Goods & Service Tax Act	Goods & service tax	0.19	-	FY 2020-21	Deputy commissioner, Bhopal

*rounded off to zero

ANNEXURE I (CONTD.)

- (viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) According to the information and explanations given to us, we report that the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x) (a) As stated in note 13A to the standalone financial statements, the Company has made an Initial Public Offering ('IPO') of its equity shares, which entirely comprised of 'Offer for Sale' by existing shareholders and thus, did not result in any money being raised by the Company. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has made preferential allotment of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised have been utilised by the Company for the purposes for which these funds were raised.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which have been considered by us while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly,

reporting under clause 3(xii) of the Order is not applicable to the Company.

- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 177 and 188 of the Act where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company ('CIC').
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets

ANNEXURE I (CONTD.)

and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) (a) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

- (b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.

- (xxi) The reporting under clause 3(xxii) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No.: 099514

UDIN: 25099514BMJKDL8797

Place: Gurugram

Date: April 29, 2025

ANNEXURE II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements 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 standalone financial statements of Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited) ('the Company') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('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 for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('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 internal financial controls with reference to standalone financial statements 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 internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, 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 standalone 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 internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements 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 standalone 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 standalone financial statements.

ANNEXURE II (CONTD.)

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements 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 with reference to

standalone financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to standalone financial statements 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 ('Guidance Note') issued by ICAI'.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No.: 099514

UDIN: 25099514BMJKDL8797

Place: Gurugram

Date: April 29, 2025

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2025

(All amounts are in million of ₹ unless otherwise stated)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3A	3,951.74	3,539.41
Capital work-in-progress	3B	92.97	362.36
Right-of-use assets	3A	1,164.39	1,264.12
Goodwill	4	36,142.28	36,142.28
Other intangible assets	4	5,808.04	6,268.18
Financial assets			
(i) Investments in subsidiary	5A	747.56	747.56
(ii) Other financial assets	6A	38.87	42.67
Non-current tax assets (net)	7	64.85	12.31
Other non-current assets	8	5.00	6.59
Total non-current assets		48,015.70	48,385.48
Current assets			
Inventories	9	2,380.04	3,530.23
Financial assets			
(i) Investments	5B	3,872.78	-
(ii) Trade receivables	10	21,799.74	17,930.72
(iii) Cash and cash equivalents	11A	1,035.32	85.40
(iv) Bank balances other than cash and cash equivalents	11B	484.55	199.14
(v) Other financial assets	6B	11.14	245.20
Other current assets	12	349.32	840.92
Total current assets		29,932.89	22,831.61
Total assets		77,948.59	71,217.09
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13A	45,974.28	45,087.19
Other equity	13B	15,988.76	10,660.30
Total equity		61,963.04	55,747.49
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	32	1,299.23	1,331.15
Provisions	14A	101.80	86.10
Deferred tax liabilities (net)	25	896.47	1,031.72
Total non-current liabilities		2,297.50	2,448.97
Current liabilities			
Financial liabilities			
(i) Lease liabilities	32	31.91	31.72
(ii) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises; and		4,534.82	2,930.92
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,184.12	7,653.50
(iii) Other financial liabilities	16	516.77	508.98
Other current liabilities	17	1,951.91	202.53
Provisions	14B	1,468.52	1,692.98
Total current liabilities		13,688.05	13,020.63
Total liabilities		15,985.55	15,469.60
Total equity and liabilities		77,948.59	71,217.09

The accompanying notes form an integral part of these standalone financial statements.

This is the standalone balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors

Neeraj Goel

Partner

Membership No.: 099514

Gunender Kapur

Managing Director & CEO

DIN : 01927304

Nishant Sharma

Non-executive Director

DIN : 03117012

Place: Gurugram

Date: April 29, 2025

Amit Gupta

Chief Financial Officer

Rahul Luthra

Company Secretary

Membership No.: F9588

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in million of ₹ unless otherwise stated)

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
INCOME			
Revenue from operations	18	59,466.04	62,387.92
Other income	19	451.06	215.76
Total income		59,917.10	62,603.68
EXPENSES			
Purchases of stock-in-trade		47,458.06	53,405.91
Changes in inventories of stock-in-trade	20	1,150.41	(722.13)
Employee benefits expense	21	1,886.57	1,105.42
Depreciation and amortisation expenses	22	1,600.75	1,417.56
Finance costs	23	119.85	157.47
Other expenses	24	1,380.78	2,988.21
Total expenses		53,596.42	58,352.44
Profit before tax		6,320.68	4,251.24
Tax expense:	25		
Current tax		1,730.17	1,296.04
Deferred tax		(135.23)	(223.42)
Total tax expense		1,594.94	1,072.62
Profit for the year		4,725.74	3,178.62
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
- Remeasurement loss on defined benefit obligations		(0.10)	(0.05)
Income-tax relating to items that will not be reclassified to profit or loss		0.02	0.01
Other comprehensive loss for the year, net of tax		(0.08)	(0.04)
Total comprehensive income for the year, net of tax		4,725.66	3,178.58
Earnings per equity share of ₹ 10 each	30		
- Basic (₹)		1.05	0.70
- Diluted (₹)		1.02	0.69

The accompanying notes form an integral part of these standalone financial statements.

This is the standalone statement of profit and loss referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors

Neeraj Goel

Partner

Membership No.: 099514

Gunender Kapur

Managing Director & CEO

DIN : 01927304

Nishant Sharma

Non-executive Director

DIN : 03117012

Place: Gurugram

Date: April 29, 2025

Amit Gupta

Chief Financial Officer

Rahul Luthra

Company Secretary

Membership No.: F9588

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in million of ₹ unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	6,320.68	4,251.24
Adjustments for :		
Depreciation and amortisation expenses	1,600.75	1,417.56
Loss on disposal of property, plant and equipment (net)	6.48	4.34
Gain on fair valuation of investments	(36.01)	-
Gain on sale of investments	(340.58)	(132.33)
Interest income	(71.35)	(73.52)
Liabilities no longer required, written back	(38.38)	(16.96)
Finance costs	119.85	157.47
Share based payment expense	558.49	30.74
Operating profit before working capital changes	8,119.93	5,638.54
Adjustments for :		
(Increase)/decrease in trade receivables	(3,835.05)	297.56
Decrease/(increase) in inventories	1,150.20	(723.19)
Decrease in other financial assets	5.24	9.85
Decrease/(increase) in other assets	491.15	(70.90)
(Decrease) in trade payables	(828.44)	(3,016.24)
Increase/(decrease) in other liabilities	1,749.38	(22.07)
(Decrease)/increase in provisions	(208.86)	317.67
Increase in financial liabilities	66.66	161.75
Cash generated from operations	6,710.21	2,592.97
Income-tax paid (net)	(1,771.54)	(1,177.68)
Net cash generated from operating activities	4,938.67	1,415.29
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work-in-progress, capital advances and capital creditors)	(1,274.96)	(1,528.55)
Proceeds from disposal of property, plant and equipment	29.23	24.97
Placement of fixed deposits	(8,623.75)	(75.54)
Proceeds from redemption of fixed deposits	8,575.00	682.68
Investment in mutual funds	(19,229.14)	(10,009.50)
Proceeds from sale of mutual funds	15,732.94	10,492.63
Interest received	56.07	62.96
Net cash used in investing activities	(4,734.61)	(350.35)
C. Cash flows from financing activities		
Proceeds from issue of equity shares	897.43	21.33
Payment on repurchase of employee stock options	-	(3.22)
Repayment of non-current borrowings	-	(929.79)
Payment of principal portion of lease liabilities	(31.72)	(39.46)
Interest paid	(119.85)	(107.68)
Net cash generated from/(used in) financing activities	745.86	(1,058.82)
Net increase in cash and cash equivalents (A+B+C)	949.92	6.12
Cash and cash equivalents at the beginning of the year	85.40	79.28
Cash and cash equivalents at the end of the year	1,035.32	85.40

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Components of cash and cash equivalents (refer note 11A):		
Balance with banks		
- in current accounts	520.29	60.28
- in fixed deposits with original maturity of upto three months	514.97	25.00
Cash on hand	0.06	0.12
	1,035.32	85.40

The standalone statement of cash flows has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

Refer note 36 for reconciliation of liabilities arising from financing activities pursuant to Ind AS 7- Statement of Cash Flows.

The accompanying notes form an integral part of these standalone financial statements.

This is the standalone statement of cash flows referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No.: 001076N/N500013

Neeraj Goel

Partner
Membership No.: 099514

Place: Gurugram
Date: April 29, 2025

For and on behalf of the Board of Directors

Gunender Kapur

Managing Director & CEO
DIN : 01927304

Amit Gupta

Chief Financial Officer

Nishant Sharma

Non-executive Director
DIN : 03117012

Rahul Luthra

Company Secretary
Membership No.: F9588

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in million of ₹ unless otherwise stated)

A. EQUITY SHARE CAPITAL: (REFER NOTE 13A)

	No. of shares	Amount
As at April 01, 2023	4,506,587,589	45,065.87
Exercise of employee share option during the year (refer note 26)	2,131,904	21.32
As at March 31, 2024	4,508,719,493	45,087.19
Exercise of employee share option during the year (refer note 26)	88,708,730	887.09
As at March 31, 2025	4,597,428,223	45,974.28

B. OTHER EQUITY: (REFER NOTE 13B)

	Reserve and surplus			Total
	Retained earnings	Securities premium account	Share options outstanding account	
Balance as at April 01, 2023	6,236.82	739.46	473.92	7,450.20
Profit for the year	3,178.62	-	-	3,178.62
Other comprehensive loss (net of tax)	(0.04)	-	-	(0.04)
Total comprehensive income	3,178.58	-	-	3,178.58
Transactions with owners in their capacity as owners				
Employee share option expense	-	-	34.74	34.74
Transfer to securities premium on exercise of employee share options	(5.90)	5.90	-	-
Employee share option re-purchased during the year	(1.28)	-	(1.94)	(3.22)
Securities premium received during the year	-	-	-	-
Balance as at March 31, 2024	9,408.22	745.36	506.72	10,660.30
Profit for the year	4,725.74	-	-	4,725.74
Other comprehensive loss (net of tax)	(0.08)	-	-	(0.08)
Total comprehensive income	4,725.66	-	-	4,725.66
Transactions with owners in their capacity as owners				
Employee share option expense	-	-	592.46	592.46
Transfer to securities premium on exercise of employee share options (refer note 26)	-	380.87	(380.87)	-
Employee share option re-purchased during the year	-	-	-	-
Securities premium received during the year	-	10.34	-	10.34
Balance as at March 31, 2025	14,133.88	1,136.57	718.31	15,988.76

The accompanying notes form an integral part of these standalone financial statements.

This is the standalone statement of changes in equity referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors

Neeraj Goel

Partner

Membership No.: 099514

Gunender Kapur

Managing Director & CEO

DIN : 01927304

Nishant Sharma

Non-executive Director

DIN : 03117012

Place: Gurugram

Date: April 29, 2025

Amit Gupta

Chief Financial Officer

Rahul Luthra

Company Secretary

Membership No.: F9588

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in million of ₹ unless otherwise stated)

1. COMPANY OVERVIEW

Vishal Mega Mart Limited (formerly known as Vishal Mega Mart Private Limited) was incorporated on March 26, 2018 under the provisions of the Companies Act, 2013 with its registered office in Plot No 184, Fifth floor, Platinum Tower, Platinum Tower, Gurugram, Udyog Vihar, Haryana, 122016. The Company is engaged in the business of contract manufacturing and wholesale trading of apparels, fast moving consumer goods and general merchandise.

During the year, the Company has completed its Initial Public Offer (IPO) and the equity shares of the Company has been listed on National Stock exchange of India Limited (NSE) and BSE Limited (BSE) on December 18, 2024 (Refer Note 13A).

2. BASIS FOR PREPARATION AND MATERIAL ACCOUNTING POLICIES

a. Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs ('MCA') under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorised, have been considered in preparing these standalone financial statements.

The MCA vide notifications dated August 12, 2024, September 9, 2024, September 28 and May 7, 2025 notified the Companies (Indian Accounting Standards) Amendments Rules, 2024; Companies (Indian Accounting Standards) Second Amendment Rules, 2024; Companies (Indian Accounting Standards) Third Amendment Rules, 2024 and Companies (Indian Accounting Standards) Amendment Rules, 2025 respectively, which amended certain accounting standards as given below and are effective from the respective dates:

- Disclosure of fair value - amendments to Ind AS 107. The amendment to Ind AS 107 have did not have any impact on the on the standalone financial statements.
- Guidance on insurance contracts - amendments to Ind AS 109. The amendments did not have any impact on the standalone financial statements.
- Scope of insurance contracts - amendments to Ind AS 115. The amendments did not have any impact on the standalone financial statements.

- Accounting of sale and leaseback transactions - amendments to Ind AS 116. The amendments did not have any impact on the standalone financial statements.

b. Statement of compliance

These standalone financial statements have been prepared on accrual and going concern basis in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, ("the Act"), the applicable provisions of the Act, presentation requirements as per Division II of Schedule III of the Act and other accounting principles generally accepted in India.

These standalone financial statements of the Company as at and for the year ended March 31, 2025 were approved and authorised for issue by Board of Directors on April 29, 2025.

c. Overall considerations

These standalone financial statements have been prepared on going concern basis using the material accounting policies and measurement bases summarised below.

These accounting policies have been used throughout all periods presented in the standalone financial statements, unless otherwise stated.

d. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been presented in crores, up to two decimals, unless otherwise indicated.

e. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Fair value of plain assets less present value of defined obligation
Share based payment	Fair value

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

f. Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. An overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed is mentioned below. Areas involving critical estimates or judgements are:

- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used - Note 25;
- Estimation of current tax expense and payable – Note 25;
- Estimation of defined benefit obligation – Note 31;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 33;
- Leases: whether an arrangement contains a lease, determination of lease term, measurement of right-of-use ("ROU") assets-Note 32;
- Determine grant date fair value technique for employee share option scheme - Note 26
- Impairment test of non-financial assets: key assumptions underlying recoverable amounts - Note 4

Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

g. Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair

values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further, information about the assumptions made in measuring fair values is included Note 27 – Financial instruments.

h. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax asset/liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

i. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price in accordance with Ind AS 115. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities

at fair value through the Statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit and loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through the Statement of profit and loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in the Statement of profit and loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the Statement of profit and loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss ("FVTPL")

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of profit and loss. The net gain or loss recognised in the Statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investments in subsidiaries

Investment in subsidiaries is carried at cost in the standalone financial statements, less accumulated impairment.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the standalone balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on net basis or to realise the assets and settle the liabilities simultaneously.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

j. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised

borrowing costs (if meeting the capitalisation criteria), less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of improvements to leasehold premises, if recognition criteria are met, have been capitalised and disclosed separately under leasehold improvement. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is provided on the straight-line method, over the estimated useful life of each asset as determined by the management. The useful lives prescribed in Schedule II to the Act are considered as indicative useful lives.

The estimated useful lives of items of property, plant and equipment are as follows:

S. No.	Asset category	Useful life of assets (in years)
1.	Computer-end user device	3
2.	Servers and network	6
	Furniture and fixtures	7
	Office equipment	5
	Vehicles	
	- Lorry	8
	- Car	8
3.	Plant and machinery	
4.	- Air conditioner	7
5.	- Diesel generator	7
6.	- Lift	10
7.	- Electrical equipment	7

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Leasehold improvements are amortised over the lease period.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above, best represent the period over which management expects to use these assets. Depreciation on additions/ (disposals) is provided on a pro-rata basis, i.e., from/ (upto) the date on which asset is ready for use/ (disposed off).

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable is estimated at each Balance Sheet date. An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of profit and loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

Derecognition

Property, plant and equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in the statement of profit and loss.

k. Goodwill and other intangible assets

Goodwill

The Company accounts for the business combinations using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is generally measured at fair value as at the date the control is acquired ("the acquisition date"), as are

the net identifiable assets (tangible and intangible assets) acquired and any non-controlling interest in the acquired business. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed, in accordance with Ind AS 103 - Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortisation but tested for impairment at least annually, based on a number of factors, including operating results, business plans and future cash flows. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets and amortisation

Recognition and measurement

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and are carried at cost less accumulated amortisation and impairment losses, if any. Gain or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the Statement of profit and loss when the asset is derecognised. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation of intangible assets is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in the Statement of profit and loss.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate. Amortisation has been computed based on the following useful lives:

Asset category Useful life

- Franchise contract, brands and trademarks 18 years
- Software 5 years

I. Revenue recognition

Revenue from sale of traded goods is recognised upon transfer of control of promised products or services to customers. Revenue from sale of goods is recognised at a point in time, when the goods are delivered and on acceptance of such goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. The Company disaggregates revenue from contracts with customers on the basis of time, nature and geography.

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered.

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably). This royalty revenue is based on sales and is measured with reference to underlying arrangement.

Shared service income is related to support services which is recognised on cost plus markup basis on the terms of underlying agreement.

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method on a time proportionate basis.

Dividend income is recorded when the right to receive payment is established.

Payment terms

The sale of goods is typically made under credit payment terms of 90 days.

Further, there are no financing component in the contract with customer and no variable consideration are involved in the transaction price.

Contract assets and contract liabilities

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other current liabilities in the balance sheet. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on Company's future performance. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

m. Cash and cash equivalents

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

n. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. Costs of inventories are determined on a weighted average cost method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

o. Leases

The Company as a lessee

The Company executes leasing arrangements for lease of buildings and office equipment. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 – Leases, at inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, which conveys the right to control the use an asset (the underlying 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:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- it has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- it has the right to direct the use of the asset.

Measurement and recognition of leases as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated amortisation/ impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is amortised using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term.

p. Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified

monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Other long-term benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

Share based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to the eligible employees under the Employee Share Option Plan ('ESOP') is recognised as an employee share option scheme expense in the profit or loss, in relation to options granted to the employees, over the vesting period of the awards. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. At the end of each period, the Company revises its estimates of the number of options that are expected to be vested based on the non-market performance conditions at the vesting date.

q. Income taxes

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended

to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction.
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the way the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

r. Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date 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 obligation, the provision is reversed.

Contingent assets are not recognised in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

s. Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets and group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an assets or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to raise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

t. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

3A. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Leasehold improvements	Plant and machinery	Furniture and fixtures	Computers	Vehicles	Total	Right-of-use assets
Gross block							
As at April 01, 2023	38.80	1,651.36	3,278.29	959.71	1.30	5,929.46	224.31
Additions during the year	50.81	391.87	869.93	382.28	-	1,694.89	1,264.53
Disposals	(0.54)	(18.79)	(108.99)	(14.13)	-	(142.45)	-
As at March 31, 2024	89.07	2,024.44	4,039.23	1,327.86	1.30	7,481.90	1,488.84
Additions during the year	5.98	619.41	585.86	226.25	-	1,437.50	-
Disposals	(21.49)	(200.37)	(435.70)	(21.03)	-	(678.59)	-
As at March 31, 2025	73.56	2,443.48	4,189.39	1,533.08	1.30	8,240.81	1,488.84
Accumulated depreciation							
As at April 01, 2023	33.96	874.67	1,689.93	623.46	1.30	3,223.32	120.20
Depreciation charge for the year [refer note (iii)]	3.09	213.49	462.33	153.40	-	832.31	104.52
Adjustment on disposal	(0.54)	(17.64)	(81.29)	(13.67)	-	(113.14)	-
As at March 31, 2024	36.51	1,070.52	2,070.97	763.19	1.30	3,942.49	224.72
Depreciation charge for the year [refer note (iii)]	5.04	259.55	516.08	210.18	-	990.85	99.73
Adjustment on disposal	(21.09)	(195.65)	(407.19)	(20.34)	-	(644.27)	-
As at March 31, 2025	20.46	1,134.42	2,179.86	953.03	1.30	4,289.07	324.45
Net carrying value							
As at March 31, 2024	52.56	953.92	1,968.26	564.67	-	3,539.41	1,264.12
As at March 31, 2025	53.10	1,309.06	2,009.53	580.05	-	3,951.74	1,164.39

Notes:

- (i) The Company has leased out some of its assets (primarily furniture and fixtures and computers) under operating lease arrangements to its franchisee (which is also the subsidiary of the Company), Airplaza Retail Holdings Private Limited. During the year ended March 31, 2025, an amount of ₹ 868.89 million (March 31, 2024: ₹ 772.14 million) has been recognised as a equipment lease rental in the statement of profit and loss (refer note 18). Depreciation on such assets amounts to ₹ 808.23 million (March 31, 2024: ₹ 728.69 million) which has been charged off in the statement of profit and loss (refer note 22).
- (ii) Refer note 33(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (iii) Includes depreciation of ₹ Nil (March 31, 2024: ₹ 42.24 million) on right-of-use assets which has been capitalised in leasehold improvements.
- (iv) Refer note 39 for details of property, plant and equipments pledged as security.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

3B CAPITAL WORK-IN-PROGRESS

Particulars	Amount
Balance as at April 01, 2023	673.15
Additions	144.36
Capitalised during the year	(455.15)
Balance as at March 31, 2024	362.36
Additions	112.00
Capitalised during the year	(381.39)
Balance as at March 31, 2025	92.97

Ageing schedule of capital work-in-progress is as follows:

	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025					
- Projects in progress	89.03	3.94	-	-	92.97
- Projects temporarily suspended	-	-	-	-	-
	89.03	3.94	-	-	92.97
As at March 31, 2024					
- Projects in progress	125.60	236.76	-	-	362.36
- Projects temporarily suspended	-	-	-	-	-
	125.60	236.76	-	-	362.36

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

4 GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Other intangible assets		Total other intangible assets
		Franchisee agreement, brands and trademarks	Softwares	
Gross carrying amount				
As at April 01, 2023	36,142.28	8,831.63	251.12	9,082.75
Additions during the year	-	-	32.73	32.73
As at March 31, 2024	36,142.28	8,831.63	283.85	9,115.48
Additions during the year	-	-	50.02	50.02
As at March 31, 2025	36,142.28	8,831.63	333.87	9,165.50
Accumulated amortisation				
As at April 01, 2023	-	2,132.64	191.69	2,324.33
Amortisation charge for the year	-	490.65	32.32	522.97
As at March 31, 2024	-	2,623.29	224.01	2,847.30
Amortisation charge for the year	-	490.65	19.51	510.16
As at March 31, 2025	-	3,113.94	243.52	3,357.46
Net carrying value				
As at March 31, 2024	36,142.28	6,208.34	59.84	6,268.18
As at March 31, 2025	36,142.28	5,717.69	90.35	5,808.04

Note:

The Company has identified its reportable segments, i.e. 'Contract Manufacturing and Wholesale and Retail Trading' as the only Cash Generating Unit (CGUs). The total carrying amount of goodwill as at March 31, 2025 is ₹ 36,142.28 million (March 31, 2024: ₹ 36,142.28 million). The same was acquired upon the merger with the erstwhile Vishal Mega Mart Private Limited.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

In accordance with Ind AS 36 "Impairment of Assets", management tests goodwill for impairment annually and as the recoverable amount exceeds the carrying amount, no impairment loss has been recognised during the year.

The recoverable amount of goodwill for impairment testing is determined based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering a five-year period, as the management believes this to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final year cash flows.

Following key assumptions were considered while performing impairment testing of goodwill:

Particulars	Approach used to determine the assumption	As at March 31, 2025	As at March 31, 2024
Sales growth rate	Annual growth rate over the five-year forecast period based on past performance and management's future expectations	19.60% to 23.00%	19.00% to 25.00%
Discount rate	Weighted Average Cost of Capital (WACC) computed as per Capital Asset Pricing Model (CAPM) model.	12.48%	15.00%
Terminal growth rate	This reflects the estimated sustainable long-term growth rate of the Company	5.00%	4.50%

Management has performed sensitivity analysis around the key assumptions and have concluded that no reasonable change in any key assumptions would cause the recoverable amount of the goodwill to be less than its carrying value.

5A NON-CURRENT INVESTMENTS IN SUBSIDIARY

Particulars	As at March 31, 2025	As at March 31, 2024
Unquoted investments		
Investment in equity instrument in subsidiary (carried at cost)*		
10,009,999 equity shares (March 31, 2024: 10,009,999 equity shares) of ₹ 10 each fully paid up in Airplaza Retail Holdings Private Limited	747.56	747.56
	747.56	747.56
Note:		
Aggregate value of unquoted investments	747.56	747.56
Aggregate amount of impairment in value of investment	-	-

* The investee is a wholly owned subsidiary of the Company with its principal place of business located in India.

5B CURRENT INVESTMENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Quoted investments		
Investment in mutual funds (carried at fair value through profit or loss)		
498,209.48 units (March 31, 2024: Nil units) in SBI Liquid Fund Direct Growth	2,020.71	-
363,615.23 units (March 31, 2024: Nil units) in HDFC Liquid Fund Direct Plan Growth Option	1,852.07	-
	3,872.78	-
Note:		
Aggregate amount of quoted investments and market value thereof	3,872.78	-
Aggregate book value of quoted investments	3,836.77	-

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

6A OTHER FINANCIAL ASSETS - NON CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
<i>(Unsecured, considered good)</i>		
Security deposits	38.86	40.89
Fixed deposits with banks with remaining maturity of more than twelve months [refer note (ii)]	0.01	1.70
Interest accrued on fixed deposits	0.00	0.08
	38.87	42.67

Notes:

- The Company's exposure to financial risk and fair value measurements related to these financial instrument is disclosed in note 27.
- Fixed deposits amounting to ₹ Nil (March 31, 2024 : ₹ 0.30 million) are pledged with the banks against overdraft limit and as security to government department.

6B OTHER FINANCIAL ASSETS - CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
<i>(Unsecured, considered good)</i>		
Fixed deposits with banks with remaining maturity of less than twelve months [refer note (ii)]	8.57	228.94
Interest accrued on fixed deposits	0.23	12.40
Others	2.34	3.86
	11.14	245.20

Notes:

- The Company's exposure to financial risk and fair value measurements related to these financial instrument is disclosed in note 27.
- Fixed deposits amounting to ₹ 8.45 million (March 31, 2024 : ₹ 219.40 million) are pledged with the banks against overdraft limit and letter of credit.

7 NON-CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid taxes [net of provision of current tax ₹ 1960.66 million (March 31, 2024 : ₹ 1415.50 million)]	64.85	12.31
	64.85	12.31

8 OTHER NON- CURRENT ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
<i>(Unsecured, considered good)</i>		
Capital advances	-	2.04
Advances other than capital advances:		
Prepaid expenses	0.96	0.96
Deposits with government authorities	4.04	3.59
	5.00	6.59

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

9 INVENTORIES

Particulars	As at March 31, 2025	As at March 31, 2024
<i>(Valued at lower of cost and net realisable value)</i>		
Traded goods [includes goods in transit of ₹ 711.00 million (March 31, 2024: ₹ 452.76 million)]	2,326.54	3,476.95
Consumables	53.50	53.28
	2,380.04	3,530.23

Note:

- (i) Refer note 39 for details of inventories pledged as security.

10 TRADE RECEIVABLES

Particulars	As at March 31, 2025	As at March 31, 2024
<i>(Unsecured, considered good)</i>		
Trade receivables	21,799.74	17,930.72
	21,799.74	17,930.72

Notes:

- (i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member except as below:

- Trade receivables from private companies with common director	21,673.89	17,865.27
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- (ii) Refer note 39 for details of trade receivables pledged as security.

- (iii) The carrying amounts of financial assets are considered to be a reasonable approximation of their fair values.

- (iv) For trade receivables due from related parties, refer note 34.

- (v) Ageing schedule of trade receivable is as follows:

As at March 31, 2025	Outstanding for following periods from due date of payment						
	Not due	Less than 6 month	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	4,836.36	16,963.38	-	-	-	-	21,799.74
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	4,836.36	16,963.38	-	-	-	-	21,799.74

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

As at March 31, 2024	Outstanding for following periods from due date of payment						
	Not due	Less than 6 month	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	250.30	17,680.42	-	-	-	-	17,930.72
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	250.30	17,680.42	-	-	-	-	17,930.72

Note: There are no unbilled receivables, hence the same is not disclosed in the ageing above.

11A CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with banks		
- in current accounts [refer note below]	520.29	60.28
- in fixed deposits with original maturity of upto three months	514.97	25.00
Cash on hand	0.06	0.12
	1,035.32	85.40

Note: There are no restrictions with regard to cash and cash equivalents as at the year end of the reporting year and previous year except for the balance with banks in current accounts amounting to ₹ 13.22 million (March 31, 2024 : ₹ 9.40 million) held in Unspent Corporate Social Responsibility account to be spent towards corporate social responsibility expenditure.

11B BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed deposits with banks with original maturity period of more than three months but less than twelve months*	467.55	196.73
Interest accrued on fixed deposits	17.00	2.41
	484.55	199.14

* Fixed deposits amounting to ₹ 292.41 million (March 31, 2024 : ₹ 139.88 million) are pledged with the banks against overdraft limit and letter of credit.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

12 OTHER CURRENT ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Advances to suppliers	61.53	20.43
Balances with government authorities	159.95	743.99
Prepaid expenses	44.05	40.24
Others*	83.79	36.26
	349.32	840.92

*The amount represents right to return assets on account of goods expected to be returned from customers.

13A EQUITY SHARE CAPITAL

Particulars	As at March 31, 2025	As at March 31, 2024
a) Authorised		
5,860,000,000 equity shares (March 31, 2024: 5,860,000,000 equity shares) of ₹ 10 each	58,600.00	58,600.00
Issued, subscribed and fully paid up		
4,597,428,223 equity shares (March 31, 2024: 4,508,719,493 equity shares) of ₹ 10 each, fully paid-up	45,974.28	45,087.19

b) Reconciliation of number of shares outstanding as at the beginning and end of the year

	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares as at the beginning of the year	4,508,719,493	45,087.19	4,506,587,589	45,065.87
Add: Exercise of share options during the year	88,708,730	887.09	2,131,904	21.32
Equity shares as at the end of the year	4,597,428,223	45,974.28	4,508,719,493	45,087.19

c) Terms/rights attached to equity shares

The Company has one class of equity shares having at par value of ₹ 10 per share. Each shareholder is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% shares in the Company:

	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% of holding	Number of shares	% of holding
Name of the shareholder*				
Equity shares of ₹ 10 each fully paid up				
Samayat Services LLP	3,427,477,956	74.55%	4,453,118,981	98.77%

* As per records of the Company, including its register of members

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

e) Details of equity shares held by promoter in the Company as at the end of the year:

Promoter name*	As at March 31, 2025			As at March 31, 2024		
	No. of shares	% of total shares	% change during the year**	No. of shares	% of total shares	% change during the year**
Samayat Services LLP	3,427,477,956	74.55%	23.03%	4,453,118,981	98.77%	-

* Promoter here means promoter as defined in the Companies Act, 2013.

** Percentage change is computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

f) No shares have been issued pursuant to contract without payment being received in cash, allotted as fully paid-up shares by way of bonus issues nor has any bought back of shares happened during the period of five years immediately preceding the reporting date.

g) Shares reserved for issue under options

Information relating to the Company's Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of reporting period, is given in note 26.

h) The Company has completed its Initial Public Offer (IPO) of 1,02,56,41,025 equity shares of face value of ₹ 10 each at an issue price of ₹ 78 per share and as a result the equity shares of the Company has been listed on National Stock exchange of India Limited (NSE) and BSE Limited (BSE) on December 18, 2024. The issue comprised offer for sale of 1,02,56,41,025 equity shares by promoter selling shareholders aggregating upto ₹ 80,000 million.

13B OTHER EQUITY

Particulars	As at March 31, 2025	As at March 31, 2024
(Refer Statement of Changes in Equity)		
Share options outstanding account	718.31	506.72
Retained earnings	14,133.88	9,408.22
Securities premium	1,136.57	745.36
	15,988.76	10,660.30

Nature of reserves:

Share options outstanding account

The Company has implemented a share option schemes under which options to subscribe for the Company's share have been granted to certain executives and senior employees. The reserves is used to recognise the value of equity settled share options provided to such employees. See note 26 for further details.

Retained earnings

Retained earnings are the accumulated profits/ (losses) earned by the Company till date and it includes remeasurements of defined benefit obligations.

Securities premium reserve

Security premium is used to record the premium received on issue of shares. It is utilised in accordance with the provision of the Act.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

14A PROVISIONS- NON-CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits (refer note 31)		
Provision for gratuity	88.64	74.48
Provision for compensated absences	13.16	11.62
	101.80	86.10

14B PROVISIONS- CURRENT

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits (refer note 31)		
Provision for gratuity	14.19	12.88
Provision for compensated absences	5.82	5.82
	20.01	18.70
Other provision		
Provision for possible sales return	100.69	42.90
Provision for customer discount	1,347.82	1,631.38
	1,468.52	1,692.98

Movement in provisions during the year	Possible sales return		Customer discount	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	42.90	199.68	1,631.38	1,174.04
Additions during the year	100.69	42.90	6,205.40	5,692.12
Utilised during the year	(42.90)	(199.68)	(6,488.96)	(5,234.78)
Closing balance	100.69	42.90	1,347.82	1,631.38

Provision for possible sales return

This represents provision made for sales returns by the customers for sales made by the Company, as estimated on the basis of past trend. This is expect to be adjusted in next financial year.

Provision for customer discount

This represents provision made for possible customer discounts to the customers for sales made by the Company, as estimated on the basis of past trend. This is expect to be adjusted in next financial year.

15 TRADE PAYABLES

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	4,534.82	2,930.92
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,184.12	7,653.50
	9,718.94	10,584.42

Notes:

- The Company's exposure to financial risk and fair value measurement related to these financial instruments is disclosed in note 27.
- For trade payables due to related parties, refer note 34.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

(iii) Ageing schedule of trade payables is as follows:

As at March 31, 2025	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	4,454.89	64.68	0.03	12.78	2.44	4,534.82
Total outstanding dues of creditors other than micro enterprises and small enterprises	47.29	4,173.19	892.65	22.28	15.39	33.32	5,184.12
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	47.29	8,628.08	957.33	22.31	28.17	35.76	9,718.94

As at March 31, 2024	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	2,707.91	202.82	17.32	0.81	2.06	2,930.92
Total outstanding dues of creditors other than micro enterprises and small enterprises	38.96	5,490.23	2,092.50	8.27	4.83	18.71	7,653.50
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	38.96	8,198.14	2,295.32	25.59	5.64	20.77	10,584.42

(iv) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is given below.

Particulars	As at March 31, 2025	As at March 31, 2024
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	4,534.82	2,930.92
- Interest	73.60	109.41
ii) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
iii) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	3,785.33	4,846.61
iv) 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 MSMED Act, 2006	69.90	66.45

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
v) The amount of interest accrued and remaining unpaid at the end of each accounting year	143.50	175.86
vi) 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 the MSMED Act, 2006	143.50	175.86

The above information has been compiled in respect of parties to the extent they could be identified as micro, small and medium enterprises on the basis of information available with the management as at the year end.

16 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Employee benefit payables	305.34	238.68
Security deposits	3.05	3.05
Capital creditors [refer note (b) below]	208.38	267.25
	516.77	508.98

Note:(a) The Company's exposure to financial risk and fair value measurement related to these financial instruments is disclosed in note 27.

(b) For other current financial liabilities payable to related parties, refer note 34.

(c) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is given below.

Particulars	As at March 31, 2025	As at March 31, 2024
i) Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount	-	-
- Interest	-	-
ii) The amount of interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
iv) 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 MSMED Act, 2006	-	-
v) The amount of interest accrued for unpaid principal at the end of each accounting year	-	-
vi) 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 the MSMED Act, 2006	-	-

The above information has been compiled in respect of parties to the extent they could be identified as micro, small and medium enterprises on the basis of information available with the management as at the year end.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

17 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liabilities - advance from customers	0.62	2.88
Statutory dues payable	1,818.37	34.38
Others	132.92	165.27
	1,951.91	202.53

Significant changes in contract liabilities	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	2.88	0.22
Add: Addition during the year	0.62	2.88
Less: Revenue recognised against the opening contract liabilities	(2.88)	(0.22)
Closing balance	0.62	2.88

18 REVENUE FROM OPERATIONS

	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of traded goods	57,099.20	61,508.40
	57,099.20	61,508.40
Other operating revenues		
- Scrap sales	24.44	39.66
- Display income / space rentals	14.82	50.76
- Equipment Lease Rental	868.89	772.14
- Royalty Income	1,067.05	-
- Shared service income	316.92	-
- Miscellaneous income	74.72	16.96
	2,366.84	879.52
	59,466.04	62,387.92

Note:

Miscellaneous income includes liabilities no longer required written back amounting to ₹ 38.38 million (March 31, 2024: ₹ 16.96 million).

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Revenue disaggregation on the basis of time is as follow:		
Point in time	57,198.36	61,565.02
Over time	2,267.68	822.90
B. Revenue disaggregation by geography is as follows:		
India	59,466.04	62,387.92
C. Revenue disaggregation by nature of products is as follows:		
Breakup of traded goods		
- Apparels	36,715.19	29,417.21

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
- Fast moving consumer goods	5,968.72	12,742.45
- General merchandise	14,415.29	19,348.74
D. Reconciliation of revenue as recognised in the statement of profit and loss with the contracted price		
Revenue as per contract price	63,588.16	66,743.18
Less: Discount and rebates	(6,488.96)	(5,234.78)
Revenue as per the statement of profit and loss	57,099.20	61,508.40

* including possible sales return provision created as at the year end.

E. Refer note 17 for significant changes in contract liabilities.

F. Refer note 34 for transactions with related parties.

19 OTHER INCOME

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income on -		
- bank deposits carried at amortised cost	58.48	52.30
- income-tax refund	11.17	19.78
Interest income on security deposits at amortised cost	1.70	1.43
Gain on sale of investments carried at fair value through profit or loss	340.58	132.33
Gain on fair valuation of investments carried at fair value through profit or loss	36.01	-
Miscellaneous income	3.12	9.92
	451.06	215.76

20 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year		
Traded goods	3,476.95	2,754.82
Inventories at the end of the year		
Traded goods	2,326.54	3,476.95
Decrease/(increase) of stock-in-trade	1,150.41	(722.13)

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

21 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	1,241.93	991.01
Contribution to provident and other funds (refer note 31)	46.26	40.40
Employee stock option expense (refer note 26)	558.49	30.74
Staff welfare expenses	39.89	43.27
	1,886.57	1,105.42

Note:

Refer note 34 for transactions with related parties

22 DEPRECIATION AND AMORTISATION EXPENSES

	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment	990.84	832.31
Depreciation on right-of-use assets	99.73	62.28
Amortisation of other intangible assets	510.18	522.97
	1,600.75	1,417.56

23 FINANCE COSTS

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on financial liabilities at amortised cost	0.02	41.94
Interest on lease liabilities	119.67	112.78
Other borrowing costs	0.16	2.75
	119.85	157.47

24 OTHER EXPENSES

	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent and warehousing (refer note 32) #	28.88	245.73
Power and fuel	16.93	12.18
Rates and taxes	2.20	5.42
Insurance	10.79	18.65
Travelling and conveyance	48.17	33.38
Legal and professional fees * #	119.01	118.62
Packaging and consumables	95.14	94.79
Transportation charges #	6.52	1,541.86
Repairs and maintenance on -		
- plant and machinery	40.02	15.08
- others	147.70	147.17
Advertising and sales promotion	266.73	304.79
Loss on disposal of property, plant and equipment (net)	6.48	4.34
Manpower charges	452.51	314.92

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Corporate social responsibilities expenses (refer note 37)	32.46	22.05
Miscellaneous expenses	107.24	109.23
	1,380.78	2,988.21

* Includes payments to auditors -

Refer note 34 for transactions with related parties

	For the year ended March 31, 2025	For the year ended March 31, 2024
As auditor (excluding applicable taxes)		
- Statutory audit (including fees for limited review)	5.30	5.55
- Tax audit	0.35	0.35
- Other services	0.15	0.46
- Reimbursement of expenses	0.16	0.63
	5.96	6.99

Note:

The above fee breakup excludes ₹ 27.80 million for the year ended March 31, 2025 (March 31, 2024: Nil) charged towards special purpose audit, certification and other services which is part of Initial Public Offering recovered from promoter selling shareholders.

25. TAX EXPENSE

(a) Tax expense recognised in profit or loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax expense	1,730.17	1,296.04
Deferred tax credit	(135.23)	(223.42)
	1,594.94	1,072.62

(b) Tax expense recognised in other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Deferred tax credit on re-measurement of defined benefit obligations	0.02	0.01
	0.02	0.01

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (March 31, 2024: 25.17%) and the reported tax expense in profit or loss are as follows:

(c) Reconciliation of effective tax rate

Particulars	March 31, 2025	March 31, 2024
Accounting profit before income-tax	6,320.68	4,251.24
Income-tax rate as per Income-tax Act, 1961	25.17%	25.17%
Tax using the Company's domestic tax rate	1,590.79	1,069.95
Tax effect of adjustments to reconcile expected income-tax expense to reported income-tax expense:		
- Impact of non-deductible expenses	2.53	1.65
- Others	1.62	1.02
Total tax expenses	1,594.94	1,072.62

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

(d) Deferred tax liabilities (net)

Particulars	March 31, 2025	March 31, 2024
Deferred tax liabilities arising on account of:		
Fair value adjustment in the carrying value of other intangible assets	1,300.89	1,415.45
Deferred tax asset arising on account of:		
Differences between accounting and tax bases of property, plant and equipment and intangible assets	(288.74)	(260.47)
Right-of-use assets and lease liabilities	(46.87)	(30.18)
Others	(68.81)	(93.08)
Deferred tax liabilities (net)	896.47	1,031.72

(i) Changes in deferred tax liabilities and assets from April 01, 2024 to March 31, 2025:

	Balance as at April 01, 2024	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at March 31, 2025
Deferred tax liabilities arising on account of:				
Fair value adjustment in the carrying value of other intangible assets	1,415.45	(114.56)	-	1,300.89
Deferred tax asset arising on account of:				
Differences between accounting and tax bases of property, plant and equipment and intangible assets	(260.47)	(28.27)	-	(288.74)
Right-of-use assets and lease liabilities	(30.18)	(16.69)	-	(46.87)
Others	(93.08)	24.29	(0.02)	(68.81)
	1,031.72	(135.23)	(0.02)	896.47

(ii) Changes in deferred tax liabilities and assets from April 01, 2023 to March 31, 2024:

	Balance as at April 01, 2023	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at March 31, 2024
Deferred tax liabilities arising on account of:				
Fair value adjustment in the carrying value of other intangible assets	1,530.00	(114.55)	-	1,415.45
Deferred tax asset arising on account of:				
Differences between accounting and tax bases of property, plant and equipment and intangible assets	(244.17)	(16.30)	-	(260.47)
Right-of-use assets and lease liabilities	(12.98)	(17.20)	-	(30.18)
Others	(17.70)	(75.37)	(0.01)	(93.08)
	1,255.15	(223.42)	(0.01)	1,031.72

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

26 SHARE BASED PAYMENTS

The Company established the Rishanth Employee Share Option Plan 2019 (amended as on March 22, 2024) ("the Plan") in January 2019. Under the Plan, the Company has issued share options to eligible employees via ten schemes ("the Schemes") of the Plan. All options granted under the Schemes are equity settled and vest according to various service conditions ranging upto 6 years and a performance condition linked to desired threshold earnings before interest, depreciation and tax in the future. An exit event as defined in the Schemes can result in immediate vesting of all options. Each option entitles the holder thereof to apply for and be allotted equity shares of ₹ 10 each of the Company, upon payment of the exercise price on date of exercise.

Options under performance vesting typically vest equally over five years starting from the first anniversary of date of grant. If the performance condition is not met, unvested options are carried forward to the next vesting date till the end of fourth year starting from the first anniversary of date of grant. Such carry forward options will vest at liquidity event described hereinafter. Options under exit vesting will vest after six years from date of grant, subject to liquidity event conditions. Options under time vesting typically vest over five years starting from the first anniversary of date of grant. Options granted can vest immediately on happening of a certain liquidity event, as determined by the shareholders, when they realise a pre-determined rate of return on their investment.

Below is a summary of options granted under the plan:

Particulars	Performance vested	Time vested	Exit vested	Total	Weighted average exercise price (in ₹)
Total no. of options granted till date	94,903,045	124,550,545	38,898,266		
Options outstanding at April 01, 2023	47,750,895	62,317,295	38,898,266	148,966,456	10.22
Options granted during the year	592,500	592,500	-	1,185,000	33.79
Options forfeited/ lapsed/ expired during the year	(503,438)	(930,038)	-	(1,433,476)	13.57
Options exercised during the year	-	-	-	-	-
Options outstanding at March 31, 2024	47,839,957	61,979,757	38,898,266	148,717,980	10.34
Options exercisable at the end of the year	32,439,589	54,038,075		86,477,664	10.17
Weighted average share price at the date of exercise (₹)	-	-	-		
Weighted average remaining period (in years)	5.11 Years	5.29 Years	5.07 Years		
Exercise price (₹)	₹ 10/- to 35/-	₹ 10/- to 35/-	₹ 10/- to 15.70/-		
Options outstanding at April 01, 2024	47,839,957	61,979,757	38,898,266	148,717,980	10.34
Options granted during the year	31,500,000	39,867,500	-	71,367,500	38.02
Options forfeited/ lapsed/ expired during the year	(304,000)	(1,651,500)	-	(1,955,500)	29.28
Options exercised during the year	(37,383,365)	(51,325,365)	-	(88,708,730)	10.12
Options outstanding at March 31, 2025	41,652,592	48,870,392	38,898,266	129,421,250	25.42
Options exercisable at the end of the year	10,447,330	16,112,230	38,898,266	65,457,826	
Weighted average share price at the date of exercise (₹)	97.10	97.05	-		
Weighted average remaining period (in years)	7.95 Years	8.16 Years	4.07 Years		
Exercise price (₹)	₹ 10/- to 35/-	₹ 10/- to 65/-	₹ 10/- to 15.70/-		

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

The fair value of the options granted during the year, calculated by an external valuer, was estimated on the date of grant by an independent valuer using the Black Scholes option pricing model with the following significant assumptions. For measuring the impact of the exit and the liquidity event, monte carlo simulations were used in the below calculations.

Particulars	Performance vested	Time vested	Exit vested
Exercise price (₹)	₹ 35/-	₹ 35/- to 65/-	-
Fair value of option on grant date (₹)	19.00 - 23.07	19.00 - 38.63	-
Expected volatility (in %)	41% to 42%	35.30% to 42%	-
Average vesting period (in years)	1.00 to 5.00 Years	1.00 to 5.00 Years	-
Option life (in years)	10 years	10 years	-
Dividend yield (in %)	0%	0%	-
Risk-free interest rate (in %)	6.79% to 6.90%	6.60% to 6.90%	-
Share price at the grant date (₹)	₹ 37.00/- to 40.00/-	₹ 37.00/- to 70.00/-	-

Volatility was determined using historical data for comparable companies for corresponding term, excluding companies that did not have sufficient historical data. The risk free interest rates are determined based on current yield to maturity of Government of India Bonds with similar residual maturity equal to expected life of the options.

The related compensation cost has been calculated using fair value method as described above and the Company has recorded an expense of ₹ 558.49 million during the year (March 31, 2024: ₹ 30.74 million) under 'employee benefits expense'. This expense is net of ₹ 33.97 million (March 31, 2024: ₹ 0.40 million) recoverable from Airplaza Retail Holdings Private Limited (subsidiary company) with respect to share options issued to the employees of the subsidiary company. Further, certain employees have exercised options amounting to ₹ 380.87 million during the year ended March 31, 2025 (March 31, 2024: Nil) which has been accounted for in line with the provisions of Ind AS 102-Shared Based Payments.

27 FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT AND RISK MANAGEMENT

I. Fair value measurements

A. Financial instruments by category

Particulars	As at March 31, 2025			As at March 31, 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments*	3,872.78	-	-	-	-	-
Trade receivables	-	-	21,799.74	-	-	17,930.72
Cash and cash equivalents	-	-	1,035.32	-	-	85.40
Bank balances other than cash and cash equivalents	-	-	484.55	-	-	199.14
Other financial assets	-	-	50.01	-	-	287.87
	3,872.78	-	23,369.62	-	-	18,503.13
Financial liabilities						
Trade payables	-	-	9,718.94	-	-	10,584.42
Lease liabilities	-	-	1,331.15	-	-	1,362.87
Other financial liabilities	-	-	516.77	-	-	508.98
	-	-	11,566.86	-	-	12,456.27

*The above table does not include the investment in subsidiary which is measured at cost as per Ind As 27 Separate Financial Statements.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

B. Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Ind AS 113. An explanation of each level follows underneath the table.

Financial assets recognised and measured at fair value

Particulars	As at March 31, 2025				
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets					
Investments	3,872.78	3,872.78	-	-	3,872.78

Financial assets recognised and measured at fair value

Particulars	As at March 31, 2024				
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets					
Investments	-	-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise 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. There have been no transfers between any of the above levels for the years ended March 31, 2025 and March 31, 2024.

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value
Investment in quoted mutual funds measured at fair value through profit or loss	The fair value of investment in mutual funds is determined using quoted NAV as at the balance sheet date.	Not applicable	Not applicable

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature. Other financial assets represents security deposits, bank deposits and interest accrued but not due on bank deposits, the carrying value of which approximates the fair values as on the reporting date. For other financial liabilities/assets that are not measured at fair value, the carrying amounts are considered equal to their respective fair values.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk;
- (ii) Liquidity risk; and
- (iii) Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has authorised the business managers to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the business managers periodically to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in mutual funds.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely in the market. The management's impact analysis shows credit risk and impact assessment as low.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

Particulars	March 31, 2025			March 31, 2024		
	Gross amount	Expected credit loss	Net amount	Gross amount	Expected credit loss	Net amount
Trade receivables	21,799.74	-	21,799.74	17,930.72	-	17,930.72
Cash and cash equivalents	1,035.32	-	1,035.32	85.40	-	85.40
Bank balances other than cash and cash equivalents	484.55	-	484.55	199.14	-	199.14
Other financial assets	50.01	-	50.01	287.87	-	287.87

Trade and other receivables

Credit risk on cash and cash equivalents and bank balances other than cash and cash equivalents is limited as the Company generally invests in deposits with banks/ financial institutions with high credit ratings assigned by credit rating agencies. Investments include investment in liquid mutual fund units. The other financial assets primarily represents security deposits given to landlords of premises taken on leases. Such deposits will be returned to the Company on returning the possession of premises as per the contract. The credit risk associated with such security deposits is relatively low. The Company's credit risk is primarily due to the amount due from Airplaza Retail Holdings Private Limited (subsidiary company). The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. The carrying amount of financial assets represents the maximum credit exposure. The management impact analysis shows credit risk and impact assessment as low as majority of its trade receivables are from a single party

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

which makes it easier to analyse receivables from a control perspective. Further, the Company also obtains the balance confirmation as at year end from Airplaza Retail Holdings Private Limited in which the receivable amount is confirmed by the party and therefore, there is no expected credit loss on outstanding receivables.

The gross carrying amounts of trade receivables is disclosed in note 10 of the standalone financial statements as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables	21,799.74	17,930.72

Detail of trade receivables that are past due is given below:-

Particulars	As at March 31, 2025	As at March 31, 2024
Not due and overdue less than 6 months	21,799.74	17,930.72
Overdue more than 6 months	-	-

The expected credit loss on trade receivables has been determined as follows under the simplified approach:

March 31, 2025

Particulars	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount as March 31, 2025	4,836.36	16,963.38	-	-	-	-	21,799.74
Expected loss rate	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	-	-
Carrying amount of trade receivables (net)	4,836.36	16,963.38	-	-	-	-	21,799.74

March 31, 2024

Particulars	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount as March 31, 2024	250.30	17,680.42	-	-	-	-	17,930.72
Expected loss rate	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	-	-
Carrying amount of trade receivables (net)	250.30	17,680.42	-	-	-	-	17,930.72

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's financial liabilities mainly comprises of borrowings, lease liabilities, trade payables and accrued bonus/expenses. The Company's credit period with buyers is higher than the credit period provided to customers, and the payments are generally settled within credit period, hence the Company's liquidity risk is low.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

(a) Maturities of financial liabilities

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

Particulars	Carrying amounts as at March 31, 2025	Contractual cash flows				
		Total	Payable on demand	Less than 1 year	1-5 years	More than 5 years
Financial liabilities						
Trade payables	9,718.94	9,718.94	-	9,718.94	-	-
Lease liabilities (including interest)	1,331.15	2,362.46	-	151.39	636.12	1,574.95
Other financial liabilities	516.77	516.77	-	516.77	-	-
Total liabilities	11,566.86	12,598.17	-	10,387.10	636.12	1,574.95

Particulars	Carrying amounts as at March 31, 2024	Contractual cash flows				
		Total	Payable on demand	Less than 1 year	1-5 years	More than 5 years
Financial liabilities						
Trade payables	10,584.42	10,584.42	-	10,584.42	-	-
Lease liabilities (including interest)	1,362.87	2,513.80	-	151.39	787.45	1,574.96
Other financial liabilities	508.98	508.98	-	508.98	-	-
Total liabilities	12,456.27	13,607.20	-	11,244.79	787.45	1,574.96

(b) Undrawn borrowing facilities

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2025	As at March 31, 2024
Expiring within one year (bank loans)	2,500.00	2,500.00

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2025. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2025.

(a) Foreign currency risk

The Company has certain import purchases for which payments are made in foreign exchange and hence exposes the Company to foreign exchange risk arising from foreign currency transactions. However, there is no outstanding foreign currency payable at the end of current and the previous reporting period. Further, the gain/(loss) on such foreign currency transactions during the current and the previous year is not material.

(b) Interest rate risk

The Company's interest rate risk arises from bank deposits which are made at market rate of interest at the time of deposit. This exposes the Company to cash flow interest rate risk. However the variation in market rate of interest is not significantly high and the Company's interest bearing assets is also not significantly high, hence the impact of the same has been assessed as insignificant.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets:		
Fixed rate instruments		
- Fixed deposits	991.09	452.37
Total	991.09	452.37

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate instruments are carried at amortised cost. They are, therefore, not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (after tax) and equity by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year.

Particulars	As at March 31, 2025		As at March 31, 2024	
	Profit or loss (after tax) and equity		Profit or loss (after tax) and equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Rupee term loans	-	-	3.43	(3.43)

(c) Price risk

Exposure from investments in mutual funds:

The Company had exposure to price risk arises from investments in mutual funds held by the Company and classified in the balance sheet as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity

The sensitivity to profit or loss (after tax) and equity in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in corresponding impact on profits by March 31, 2025: ₹ 144.90 million (March 31, 2024: Nil).

28 CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025 and March 31, 2024.

Particulars	As at March 31, 2025	As at March 31, 2024
Total debt	-	-
Less: Cash and cash equivalents	(1,035.32)	(85.40)
Net debt (A)	-	-
Total equity (B)	61,963.04	55,747.49
Gearing ratio (A/B)	-	-

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

29 ACCOUNTING RATIOS

Additional regulatory information with respect to the specified ratios as required by paragraph 6(L)(xiv) of the general instructions for preparation of balance sheet to Schedule III to the Act:

Ratio	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	% variance	Reason for variance
Current ratio	Current assets	Current liabilities	2.19	1.75	25%	Refer note (i) below.
Debt equity ratio	Net debt = Total borrowings - cash and cash equivalents	Total equity	-	-	-	The Company has no borrowings, therefore, the ratio is not applicable.

Ratio	Numerator	Denominator	For the year ended March 31, 2025	For the year ended March 31, 2024	% variance	Reason for variance
Debt service coverage ratio	Earning available for debt service = Net profit after taxes + Non-cash operating expenses/ income (net) + interest expenses	Debt service = Interest and lease payments + principal repayments of long-term borrowings	45.82	31.52	45%	The increase in the ratio is on account of addition in other operating revenue as well as increase in the employee stock options expense.
Return on equity ratio	Net profit after taxes	Average shareholder's equity	8.03%	5.87%	37%	The increase in the ratio is on account of addition in other operating revenue.
Return on equity ratio (adjusted)	Net profit after taxes	Average of adjusted shareholder's equity*	20.81%	17.67%	18%	Refer note (i) below.
Inventory turnover ratio	Cost of goods sold	Average inventories	16.45	16.63	(1%)	Refer note (i) below.
Trade receivables turnover ratio	Net sales	Average trade receivables	2.87	3.40	(16%)	Refer note (i) below.
Trade payables turnover ratio	Cost of goods sold	Average trade payables	4.79	4.35	10%	Refer note (i) below.
Net capital turnover ratio	Net sales	Working capital = current assets - current liabilities	3.51	6.27	(44%)	The decrease in the ratio is on account of investment made in mutual funds and increase in trade receivables and due to corresponding decrease in sale of traded goods.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Ratio	Numerator	Denominator	For the year ended March 31, 2025	For the year ended March 31, 2024	% variance	Reason for variance
Net profit ratio	Net profit after taxes	Revenue from operations	7.95%	5.09%	56%	The increase in the ratio is on account of addition in other operating revenue and due to corresponding decrease in sale of traded goods.
Return on capital employed	Earnings before interest and taxes	Capital employed = Tangible net worth + total debt + deferred tax liabilities	30.80%	30.68%	0%	Refer note (i) below.
Return on capital employed (adjusted)	Earnings before interest and taxes - Income generated from invested fund	Adjusted capital employed = Tangible net worth + total debt + deferred tax liabilities - invested fund in treasury investments	37.47%	29.69%	26%	The increase in the ratio is on account of investment made in mutual funds.
Return on investment	Income generated from invested fund	Average invested fund in treasury investments	16.37%	20.09%	(19%)	Refer note (i) below.

Note:

(i) Reasons for variance in the ratios are required to be furnished when variance is more than 25%.

*Adjusted shareholder's equity = Total equity less goodwill

30 EARNINGS PER EQUITY SHARE (EPS)

The calculation of profit attributable to equity shareholders and weighted average numbers of equity shares outstanding for purpose of basic/diluted earning per share calculation are as follows -

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
i. Profit attributable to equity shareholders for basic/diluted earnings per share	4,725.74	3,178.62
ii. Weighted average number of equity shares for basic earnings per share (nos.)	4,518,074,629	4,509,628,173
iii. Effect of share options during the year (in nos.)	130,297,125	81,644,996
iv. Weighted average number of equity shares for diluted earnings per share (nos.)	4,648,371,754	4,591,273,169
Basic earning per equity share of ₹ 10 each (₹)	1.05	0.70
Diluted earning per equity share of ₹ 10 each (₹)	1.02	0.69

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

31 EMPLOYEE BENEFITS

(i) Defined contribution plans

The Company, in respect of qualifying employees, contributes towards provident fund, labour welfare fund, employees' state insurance and national pension scheme. During the year, the Company has recognised the following amounts in the statement of profit and loss for:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's contribution to provident fund and labour welfare fund	39.97	36.00
Employer's contribution to employees' state insurance	0.71	0.83
Employer's contribution to national pension scheme	5.58	3.57
	46.26	40.40

(ii) Defined benefit plan:

The gratuity plan provides a lump sum payment to employees at retirement or termination of employment at an amount based on the respective employee's salary and the years of employment with the Company.

A. Reconciliation of present value of defined benefit obligation

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of defined benefit obligation at the beginning of the year	87.36	73.13
Interest cost	6.36	5.40
Current service cost	12.44	11.19
Benefits paid	(3.43)	(2.41)
Re-measurement loss recognised in other comprehensive income	0.10	0.05
Present value of defined benefit obligation at the end of the year	102.83	87.36

B. Reconciliation of present value of the obligations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of defined benefit obligation	102.83	87.36
Net liability recognised in the balance sheet	102.83	87.36
Current	14.19	12.88
Non-current	88.64	74.48
	102.83	87.36

C. Expenses recognised in profit or loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	12.44	11.19
Interest cost	6.36	5.40
Total expenses recognised in profit or loss	18.80	16.59

D. Re-measurement loss recognised in other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Re-measurement loss		
- Loss due to financial assumptions	1.06	0.53
- (Gain) due to experience adjustment	(0.96)	(0.48)
Total expenses recognised in other comprehensive income	0.10	0.05

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

E. Maturity profile of defined benefit obligation

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Within the next 12 months	14.19	12.88
Between 1 and 2 years	15.83	10.83
Between 2 and 5 years	29.47	27.13
Between 5 and 10 years	43.34	36.52

F. Actuarial assumptions

a Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Company's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard. These valuation assumptions are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate (in %)	7.06%	7.27%
Future salary increase (in %)	10.00%	10.00%

b Demographic assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Retirement age (years)	60	60
(ii) Mortality rate inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
(iii) Attrition at ages		
Up to 30 years	15.00%	15.00%
From 31 to 44 years	15.00%	15.00%
Above 44 years	15.00%	15.00%

G. Sensitivity analysis

Reasonably possible changes at the reporting date to the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at March 31, 2025	As at March 31, 2024
a Discount rate		
0.5% increase	(2.50)	(2.18)
0.5% decrease	2.64	2.30
b Future salary increases rate		
0.5% increase	2.56	2.23
0.5% decrease	(2.45)	(2.14)

Sensitivities due to mortality and withdrawals are not material. Hence, impact of change is not calculated above.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

H. Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the Company is exposed to various risks as follow:

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

I. Other disclosures

Particulars	As at March 31, 2025	As at March 31, 2024
Average duration of the defined benefit obligation (in years)	5.64 years	5.67 years

The Company expects to make contributions of ₹ 20.93 million (March 31, 2024: ₹ 18.50 million) to the defined benefit plans during the next financial year.

J. Amount for the current and previous four years are as follows - gratuity:

	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Defined benefit obligation	102.83	87.36	73.19	64.96	59.80
Experience gain adjustments on liabilities	0.96	0.48	0.60	0.95	5.38

(iii) Other long-term benefits:

An actuarial valuation of compensated absences has been carried out by an independent actuary using the Projected Unit Credit method. The amount recognised as an expense towards compensated absences for the year amounts to ₹ 2.13 million (March 31, 2024: ₹ 3.52 million). As at March 31, 2025, provision for compensated absences amounts to ₹ 18.98 million (March 31, 2024: ₹ 17.44 million) presented as provision for employee benefits in note 14A and 14B - Provisions.

The compensated absences cover the Company's liability for earned leaves. The Company does not have an unconditional right to defer the settlement for obligation classified as current provision balance. However, based on past experience, the Company does not expect all the employees to avail the entire outstanding leaves within next twelve months, therefore, based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current.

32 i) Lease liabilities are presented in the balance sheet as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Current	31.91	31.72
Non-current	1,299.23	1,331.15
Total	1,331.14	1,362.87

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

The maturity analysis of lease liabilities are disclosed hereunder. Also refer note 27(II)(ii).

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	Principal	Interest	Total payments	Principal	Interest	Total payments
Less than 1 year	34.83	116.56	151.39	31.72	119.67	151.39
1-5 years	200.94	435.18	636.12	235.71	551.74	787.45
More than 5 years	1,095.37	479.58	1,574.95	1,095.44	479.52	1,574.96
Total	1,331.14	1,031.32	2,362.46	1,362.87	1,150.93	2,513.80

Refer note 36 for reconciliation of liabilities arising from financing activities pursuant to Ind AS 7- Statement of Cash Flows.

The Company has executed lease arrangements for office and business premises. With the exception of short-term leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities. For leases over office buildings and warehouse premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The Company has considered automatic extension option available for the property leases in lease period assessment since the Company can enforce its right to extend the lease beyond the initial lease period as the Company is likely to be benefited by exercising the extension option.

ii) The following are amounts recognised in the statement of profit and loss:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amortisation of right-of-use assets*	99.73	62.28
Interest on lease liabilities	119.67	112.78
Rent expense	28.88	245.73
Total	248.28	420.79

*Net of depreciation amounting to Nil (March 31, 2024: ₹ 42.24 million) capitalised in leasehold improvements.

iii) Lease payments not recognised as a liability

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Expenses relating to short term leases (included in other expenses)	28.88	245.73
Total	28.88	245.73

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liabilities for short-term leases is ₹ 28.88 million (March 31, 2024: ₹ 245.73 million).

iv) At March 31, 2025 and March 31, 2024, the Company was not committed to any liability towards short-term leases.

v) Total cash outflow for leases for the year ended March 31, 2025 was ₹ 180.27 million (March 31, 2024: ₹ 350.29 million) [including ₹ 28.88 million (March 31, 2024 - ₹ 245.73 million) paid towards the aforementioned short-term leases].

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

vi) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	Right-of-use assets leased (in numbers)	Range of remaining term(in years)	Average remaining lease term(in years)
Warehouses and other offices	3	1.37 - 13.09	6.41

The Company has a right to extend/terminate its leasing arrangements beyond the initial agreement/lock in period. For the assessment of lease term as per Ind AS 116, the management of the Company has considered the extension options and not considered the early termination options wherever available for its property leases in its lease period assessment since the Company is likely to benefit from a longer lease tenure.

33 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at March 31, 2025	As at March 31, 2024
a) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	114.40	61.79
	114.40	61.79
b) Contingent liabilities		
Claims against the Company not acknowledged as debts to the extent not provided for-		
Income tax matters [amount paid under protest ₹ 1.92 million (March 31, 2024: ₹ 1.92 million)]*	0.17	0.17
Indirect tax matters [amount paid under protest ₹ 2.21 million (March 31, 2024: ₹ 1.80 million)]**	3.38	0.10
Other matters***	99.53	95.25
	103.09	95.52

c) Other contingencies

There are some other income tax litigations for few assessment years wherein income tax authorities have made certain disallowances, however, there is no demand raised by them due to losses. In view of the management, these matters would be decided in favour of the Company and accordingly, chances of liability materializing are remote.

* Represents demand raised by Income tax authorities on account of disallowance of certain expense, after netting off the amount deposited under protest.

** Represents demand raised by central sales tax, value added tax and goods and service tax authorities, after netting off the amount deposited under protest.

*** Includes various other claims made by vendors, ex-employees and various government authorities.

It is not practicable for the Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required in respect of the above proceedings.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

34 INFORMATION ON RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 - RELATED PARTY DISCLOSURES

A Related parties and their relationships*

Relationship	Name of the related party
(a) Holding Company	Samayat Services LLP
(b) Entities which exercise control over the Company	Kedaara Capital Fund II LLP, Ultimate holding entity
	Rishay Services LLP
	Rishanth Services LLP
(c) Subsidiary company	Vishal E-Commerce Private Limited
	Airplaza Retail Holdings Private Limited
(d) Entities over which the Company exercise control	Vishal Megamart CSR Trust
(e) Key management personnel	Mr. Gunender Kapur (Director and CEO) (with effect from 27th June 2024)
	Mr. Rohit Jindal (Managing Director and CEO) (till 24 June 2024)
	Mr. Amit Gupta (CFO)
(f) Other related parties	Mr. John Thomson Wyatt (Director) (till 03 July 2024)
	Mr. Manas Tandon (Director)
	Mr. Nishant Sharma (Director)
	Mr. Sanjeev Aga (Director)
	Mr. Walter Heinz Keller (Director) (till 03 July 2024)
	Ms. Neha Bansal (Independent Director)
	Ms. Soumya Rajan (Independent Director) (with effect from 31 May 2024)

B Related party transaction

Particulars	Year ended	Holding Company	Entities which exercise control over the Company	Subsidiary company	Entities over which the Company exercise control	Key management personnel	Other related parties	Total
Transportation Charges								
Samayat Services LLP	March 31, 2025	-	-	-	-	-	-	-
	March 31, 2024	255.89	-	-	-	-	-	255.89
Rent and Warehousing								
Samayat Services LLP	March 31, 2025	-	-	-	-	-	-	-
	March 31, 2024	163.75	-	-	-	-	-	163.75
Legal and Professional Fees								
Rishay Services LLP	March 31, 2025	-	8.99	-	-	-	-	8.99
	March 31, 2024	-	8.99	-	-	-	-	8.99

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Particulars	Year ended	Holding Company	Entities which exercise control over the Company	Subsidiary company	Entities over which the Company exercise control	Key management personnel	Other related parties	Total
Rishanth Services LLP	March 31, 2025	-	40.14	-	-	-	-	40.14
	March 31, 2024	-	33.48	-	-	-	-	33.48
Share Options Issued to the Employees of the Subsidiary								
Airplaza Retail Holdings Private Limited	March 31, 2025	-	-	33.97	-	-	-	33.97
	March 31, 2024	-	-	3.98	-	-	-	3.98
Corporate Social Responsibility								
Vishal Megamart CSR Trust	March 31, 2025	-	-	-	32.46	-	-	32.46
	March 31, 2024	-	-	-	22.05	-	-	22.05
Sale of Traded Goods								
Airplaza Retail Holdings Private Limited	March 31, 2025	-	-	56,757.89	-	-	-	56,757.89
	March 31, 2024	-	-	60,705.40	-	-	-	60,705.40
Royalty Income								
Airplaza Retail Holdings Private Limited	March 31, 2025	-	-	1,067.05	-	-	-	1,067.05
	March 31, 2024	-	-	-	-	-	-	-
Recovery of Common Warehouse Service								
Airplaza Retail Holdings Private Limited	March 31, 2025	-	-	70.29	-	-	-	70.29
	March 31, 2024	-	-	-	-	-	-	-
Recovery of Common Employees Service								
Airplaza Retail Holdings Private Limited	March 31, 2025	-	-	227.50	-	-	-	227.50
	March 31, 2024	-	-	-	-	-	-	-
Equipment Lease Rental								
Airplaza Retail Holdings Private Limited	March 31, 2025	-	-	868.89	-	-	-	868.89
	March 31, 2024	-	-	772.14	-	-	-	772.14

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Particulars	Year ended	Holding Company	Entities which exercise control over the Company	Subsidiary company	Entities over which the Company exercise control	Key management personnel	Other related parties	Total
Recovery of Warehouse Rental								
Airplaza Retail Holdings Private Limited	March 31, 2025	-	-	19.14	-	-	-	19.14
	March 31, 2024	-	-	-	-	-	-	-
Managerial Remuneration								
Mr. Gunender Kapur	March 31, 2025	-	-	-	-	350.83	-	350.83
	March 31, 2024	-	-	-	-	127.15	-	127.15
Mr. Amit Gupta	March 31, 2025	-	-	-	-	70.56	-	70.56
	March 31, 2024	-	-	-	-	24.54	-	24.54
Mr. Rohit Jindal	March 31, 2025	-	-	-	-	102.67	-	102.67
	March 31, 2024	-	-	-	-	-	-	-
Commission								
Ms. Neha Bansal	March 31, 2025	-	-	-	-	-	3.50	3.50
	March 31, 2024	-	-	-	-	-	2.99	2.99
Ms. Soumya Rajan	March 31, 2025	-	-	-	-	-	3.50	3.50
	March 31, 2024	-	-	-	-	-	-	-

Category-wise break up of compensation to key management personnel

Particulars	As at March 31, 2025	As at March 31, 2024
Short-term employee benefits	226.88	125.23
Share-based payment transactions	291.94	21.90
Defined contribution plan	5.24	4.56

Notes:

- The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.
- The above remuneration excludes provision for gratuity and leave benefits as separate actuarial valuation is not available.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

C Balances outstanding at the year end

Particulars	As at	Holding Company	Entities which exercise control over the Company	Subsidiary company	Entities over which the Company exercise control	Key management personnel	Other related parties	Total
Trade receivables								
Airplaza Retail Holdings Private Limited	March 31, 2025	-	-	21,673.89	-	-	-	21,673.89
	March 31, 2024	-	-	17,865.27	-	-	-	17,865.27
Samayat Services LLP	March 31, 2025	19.06	-	-	-	-	-	19.06
	March 31, 2024	-	-	-	-	-	-	-
Trade payables								
Rishay Services LLP	March 31, 2025	-	1.31	-	-	-	-	1.31
	March 31, 2024	-	0.67	-	-	-	-	0.67
Rishanth Services LLP	March 31, 2025	-	5.31	-	-	-	-	5.31
	March 31, 2024	-	1.75	-	-	-	-	1.75
Samayat Services LLP	March 31, 2025	-	-	-	-	-	-	-
	March 31, 2024	128.71	-	-	-	-	-	128.71
Ms. Neha Bansal	March 31, 2025	-	-	-	-	-	3.50	3.50
	March 31, 2024	-	-	-	-	-	2.25	2.25
Ms. Soumya Rajan	March 31, 2025	-	-	-	-	-	3.50	3.50
	March 31, 2024	-	-	-	-	-	-	-
Employee benefits payable								
Mr. Gunender Kapur	March 31, 2025	-	-	-	-	55.00	-	55.00
	March 31, 2024	-	-	-	-	55.00	-	55.00
Mr. Amit Gupta	March 31, 2025	-	-	-	-	8.63	-	8.63
	March 31, 2024	-	-	-	-	8.63	-	8.63

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Particulars	As at	Holding Company	Entities which exercise control over the Company	Subsidiary company	Entities over which the Company exercise control	Key management personnel	Other related parties	Total
Investments								
Airplaza Retail Holdings Private Limited	March 31, 2025	-	-	747.56	-	-	-	-
	March 31, 2024	-	-	747.56	-	-	-	-

- (i) The above disclosed related party transactions were made on terms equivalent to those that prevail in arm's length transactions.
- (ii) All outstanding balances are unsecured and payable in cash except outstanding share based payments which are in kind.

35 SEGMENT INFORMATION

The Company primarily operates in the contract manufacturing and wholesale trading. Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker ('CODM') does the evaluation of the Company's performance at an overall company level as one segment, i.e., "Contract Manufacturing and Wholesale Trading".

The Company's Board of Directors have been identified as the CODM, since they are responsible for all major decisions with respect to the preparation and execution of business plan, preparation of budget, planning, directing and business expansions.

The Company is domiciled in India and derives its entire revenue from trading of goods and rendering of services in India. Moreover, all the assets/ liabilities are located in the Company's country of domicile, i.e., India.

Refer note 18 for details of product and services.

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".

Information about major customers

Following is the customer representing 10% or more of the Company's total revenue during the year ended March 31, 2025 and March 31, 2024.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Airplaza Retail Holdings Private Limited	56,757.89	60,705.40

36 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES PURSUANT TO IND AS 7- STATEMENT OF CASH FLOWS

The changes of the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Non-current borrowings	Lease liabilities	Total
Balance as at April 01, 2023	930.53	136.64	1,067.17
Cash flows:			
Repayment of non-current borrowings	(929.83)	-	(929.83)
Interest paid	(42.58)	(65.10)	(107.68)
Payment of principal portion of lease liabilities	-	(39.46)	(39.46)
Non-cash flows:			

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Particulars	Non-current borrowings	Lease liabilities	Total
Interest accrued during the year	41.88	-	41.88
Interest on lease liabilities	-	112.78	112.78
Recognition of lease liabilities under Ind AS 116 - Leases	-	1,218.01	1,218.01
Balance as at March 31, 2024	-	1,362.87	1,362.87
Cash flows:			
Repayment of non-current borrowings	-	-	-
Interest paid	-	(119.67)	(119.67)
Payment of principal portion of lease liabilities	-	(31.72)	(31.72)
Non-cash flows:			
Interest accrued during the year	-	-	-
Interest on lease liabilities	-	119.66	119.66
Recognition of lease liabilities under Ind AS 116 - Leases	-	-	-
Balance as at March 31, 2025	-	1,331.14	1,331.14

37 CORPORATE SOCIAL RESPONSIBILITY

The Company has spent ₹ 12.10 million (March 31, 2024 : ₹ 18.03 million) towards various schemes of corporate social responsibility as prescribed under section 135 of the Companies Act 2013, the details of which are:

- I. Gross amount required to be spent by the Company during the year amounts to ₹ 67.55 million (March 31, 2024 : ₹ 43.11 million)

Particulars	As at March 31, 2025	As at March 31, 2024
Gross amount required to be spent (A)	67.55	43.11
Shortfall/(surplus) of the previous year (B)	-	-
Total (A+B)	67.55	43.11
Amount transferred during the year to the implementation agency	12.10	18.03
Amount spent during the year [refer note (II)]	(12.10)	(18.03)
Shortfall/(surplus) for the year	55.45	25.08

- II. Amount spent during the year on:

	For the year ended March 31, 2025		For the year ended March 31, 2024	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
i) Construction/ acquisition of any assets	-	-	-	-
ii) For purposes other than (i) above	12.10	-	18.03	-
Total	12.10	-	18.03	-

- III. During the year, a contribution of ₹ 12.10 million (March 31, 2024 : ₹ 18.03 million) has been made to Vishal Mega Mart CSR Trust (entity over which the Company exercise control), which is the implementation agency for undertaking the CSR activities of the Company, with the main objective of working in areas of eradicating hunger, poverty and malnutrition, promoting education, including special education and employment enhancing vocation skills, promoting gender equality, empowering women and undertaking measures for reducing inequalities faced by socially and economically backward groups, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry conservation of natural resources and maintaining quality of soil, air and water, protection of national heritage, contributions to public funded universities, disaster management, including relief, rehabilitation and reconstruction activities. Out of the aforesaid contribution, Nil (March 31, 2024:

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Nil) is remaining unspent by the implementation agency as at balance sheet date.

IV. The Company does not carry any provisions for corporate social responsibility expenses for current year and previous year.

V. The Company has carried forward the following amount:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	-	-
Amount required to be spent during the year	67.55	43.11
Amount spent during the year	(12.10)	(18.03)
Closing balance	55.45	25.08

The unspent amount of ₹ 55.45 Crore pertaining to current financial year has been deposited in special account on April 22, 2025 in compliance with section 135 of the Companies Act, 2013.

VI. The Company has ongoing projects as at March 31, 2025

Details of on-going projects are as follows:

Particulars	With the Company	In separate CSR unspent account
Balance as on April 01, 2023	7.70	12.47
Amount required to be spent during the year	43.11	-
Amount spent during the year		
- in respect of current year	(18.03)	-
- in respect of previous year*	-	(10.71)
Transferred to separate CSR unspent account	(32.78)	32.78
Balance as on March 31, 2024	-	34.54
Amount required to be spent during the year	67.55	-
Amount spent during the year		
- in respect of current year	(12.10)	-
- in respect of previous year*	-	(20.36)
Transferred to separate CSR unspent account	(55.45)	55.45
Balance as on March 31, 2025	-	69.63

*Further, during the year, the implementing agency has spent a total amount of ₹ 20.36 million (March 31, 2024 ₹ 10.71 million) in respect of the unspent amount of the previous years from the CSR unspent account.

38 DETAILS OF DISCLOSURE UNDER SECTION 186(4) OF THE ACT:

Particulars	As at March 31, 2025	As at March 31, 2024
Investment in equity instrument in subsidiary		
- Airplaza Retail Holdings Private Limited	747.56	747.56

- 39 (i) The Company has cash credit facilities and working capital limits which are secured by hypothecation of all inventories including those in transit, receivables, book debts on pari passu basis, equitable mortgage. The rate of interest ranges between 8.10% to 9.50% (March 31, 2024: 8.00% to 8.10%) per annum in respect of the same.
- (ii) The cash credit facilities and working capital limits have been used for the specific purpose for which they are taken. However, there is no outstanding balance as on reporting date.
- (iii) Details of quarterly statements of current assets filed by the Company with the banks and reasons of material discrepancies:

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

For the year ended March 31, 2025

Quarter ended	Name of bank	Securities provided	Amount as per books of account	Amount as per quarterly statement	Variance	Reason for material discrepancies
June 30, 2024	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	1,198.66	1,198.66	-	No variance noted
September 30, 2024	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	1,526.15	1,526.15	-	No variance noted
December 31, 2024	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	1,068.68	1,068.68	-	No variance noted
March 31, 2025	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	2,326.54	1,615.54	711.00	Variance is owing to goods in-transit pertaining to the Company not considered while submission of the quarterly statement.

For the year ended March 31, 2024

Quarter ended	Name of bank	Securities provided	Amount as per books of account	Amount as per quarterly statement	Variance	Reason for material discrepancies
June 30, 2023	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	2,264.48	2,264.48	-	No variance noted
September 30, 2023	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	3,511.94	3,511.94	-	No variance noted
December 31, 2023	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	2,035.55	2,035.55	-	No variance noted
March 31, 2024	HDFC Bank, Axis Bank and Kotak Mahindra Bank	Pari-passu charge on current assets	3,476.95	3,024.19	452.76	Variance is owing to goods in-transit pertaining to the Company not considered while submission of the quarterly statement.

- 40 The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Company will evaluate the impact and make necessary adjustments to the standalone statements in the period when the Code will come into effect.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

41 OTHER STATUTORY INFORMATION

- (i) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year ended March 31, 2025 and for the year ended March 31, 2024.
- (ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (iii) The Company has not been declared wilful defaulter by any bank or other lenders.
- (iv) The Company had no transactions with companies whose name has been struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (v) The Company does not have any charges or satisfaction which is yet to be registered with Registrars of Companies ('ROC') beyond the statutory period.
- (vi) The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (vii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the current and preceding year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- (x) The Company has not traded or invested in crypto currency or virtual currency during the current and the preceding financial year.
- (xi) The Company has not entered into the scheme of arrangement in the current year and preceding financial year.
- (xii) The Company does not hold any immovable properties during the current and preceding financial year.
- (xiii) The Company has made preferential allotment of shares during the current year and the same has been utilised by the Company for the purposes for which these funds were raised.

42 There are no significant events or transactions occurring after the balance sheet which would require any adjustment in the standalone financial statements.

43 In pursuance with the requirement under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021, the Company uses an accounting software for maintaining its books of account which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

However, the audit trail (edit logs) feature for any direct changes made at the database level is not enabled for the accounting software used for maintenance of accounting records.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(All amounts are in million of ₹ unless otherwise stated)

Further, accounting software used for payroll processing of the Company is operated by a third party software service provider and the availability of audit trail (edit logs) at the database levels are not covered in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with AICPA Standards of Attestation Engagement SSAE 18 : Service organisation).

Furthermore, the audit trail records except for the database-level changes as mentioned above, have been preserved by the Company as per the statutory requirements for record retention.

This is the summary of material accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No.: 001076N/N500013

Neeraj Goel

Partner
Membership No.: 099514

Place: Gurugram
Date: April 29, 2025

For and on behalf of the Board of Directors

Gunender Kapur

Managing Director & CEO
DIN : 01927304

Amit Gupta

Chief Financial Officer

Nishant Sharma

Non-executive Director
DIN : 03117012

Rahul Luthra

Company Secretary
Membership No.: F9588

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