DMart
Daily Discounts Daily Savings

GOOD PRODUCTS GREAT VALUE

2018-19
ANNUAL REPORT
AVENUE SUPERMARTS LIMITED

Contents

KEY HIGHLIGHTS FY 2018-19

₹19,916 cr.
Revenue from Operations

₹1,642 cr.
EBITDA

₹936 cr.
Profit After Tax

176 stores
In 11 States and 1 Union Territory

21
New Stores Added

5.9 mn sq. ft.
Retail Business Area

Good Products Great Value

Our customer-centric approach has helped us achieve credible growth thus far

DMart has continued in its mission to fulfil customers' everyday needs by providing good quality products at low prices. We continue to focus on further improving our operations and thus make it more convenient for our customers to shop in our stores.

About DMart

DMart was conceived by value investor Mr. Radhakishan Damani in the year 2000, operating a single store in Maharashtra. With a mission to be the lowest priced retailer in its area of operation, DMart has grown steadily over the years and operates 176 stores in 11 States and 1 Union Territory of India. The Company has delivered stable performance across stakeholder metrics by focusing on financial fundamentals, high levels of patience and strong conviction.

OUR BEGINNING

By the late 1990s, our founder, Mr. Radhakishan Damani, was already established as one of the more successful and well-known value investors in the Indian equity markets. Through his investing style, he had developed a very keen understanding of the Indian consumer sector and its psyche. He was anxious to start a business beyond investing, which would enable him to test his hypothesis about the Indian consumer. After a couple of years of introspection and research, he decided to start a grocery retail chain, focusing primarily on the value segment.

DMart, our retail chain, was conceived by him in the year 2000. Mr. Damani imagined the retail business with the same values of simplicity, speed and nimbleness that he espoused in his stellar investing career.

A focus on financial fundamentals, high levels of patience and strong conviction have been the bedrock, on which the Company's values and business direction have been built.

DMart took eight years to start its first ten stores. This wasn't because of dearth of investment opportunities, but more because of his belief in the importance of validating the business model from a perspective of both profitability and scalability. His beginnings at DMart were frugal. For a number of years since inception, DMart's corporate operations were run from a small space, carved out from one of the early stores. He and his early leadership team worked together as one cohesive unit without any hierarchy or barriers.

More importantly, from the very beginning, he had the foresight to understand and strongly believe that any business needs the right blend of entrepreneurship and professionalism. Entrepreneurship to build and strengthen the concept in its formative years and professionalism to allow a committed team to create, sustain and grow a scalable business model into the future.

Today, DMart continues to focus on this early belief system created during our formative years. We have a good blend of entrepreneurial spirit and high-quality execution. We humbly attribute our success to the values and the way of business thinking that our founder has instilled in us.

Core Values

Action

Focus:
To be focused about what I do.

Motivated:
To be clear of achieving my goal.

Enthusiastic:
To love what I do.

Care

Respect:
To respect every individual in the organisation and provide her/him with the dignity and attention to make her/him believe that she/he makes a difference to the organisation.

Listen:
To listen and resolve any employee/ partner/customer grievance quickly and fairly.

Truth

Integrity:
By being open, honest and fair in all our relationships and being respectful and trustful to others.

VISION & MISSION

At DMart, we continuously research, identify and make available new products and categories to fulfil our customers' everyday needs at the best value. Our mission is to be the lowest priced retailer in our area of operation.

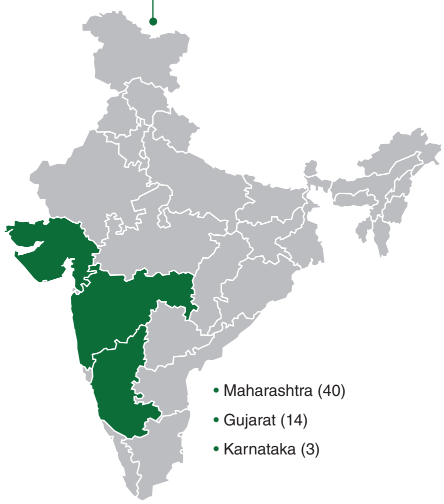
Presence and Expansion Strategy

DMart has a consistently growing presence across India

At DMart, we follow a cluster-based expansion approach. We thus focus on deepening our penetration in the areas where we are already present, before expanding to newer regions. Using this strategy, we added 21 stores in FY 2018-19, thus ending the year with 176 stores spread across 11 states and 1 Union Territory.

2002-03

2012-13



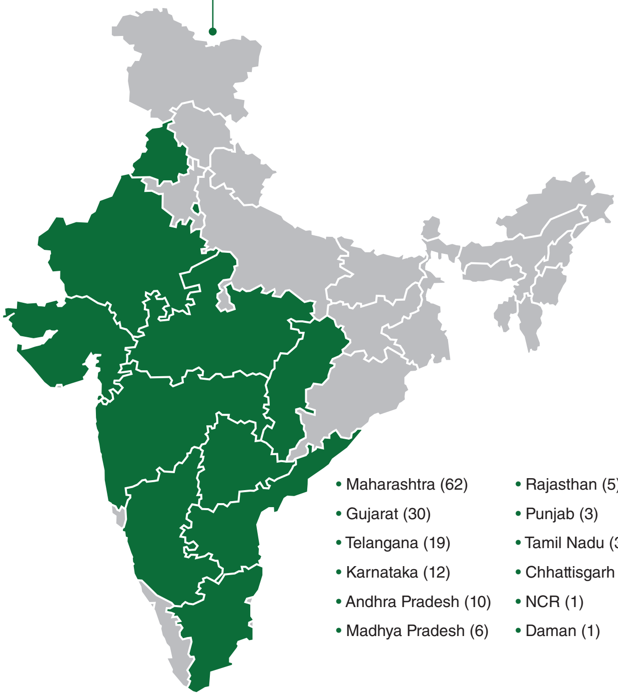
CUMULATIVE STORES

Note: Maps not to scale

2002-03	2012-13
2 Stores	57 Stores

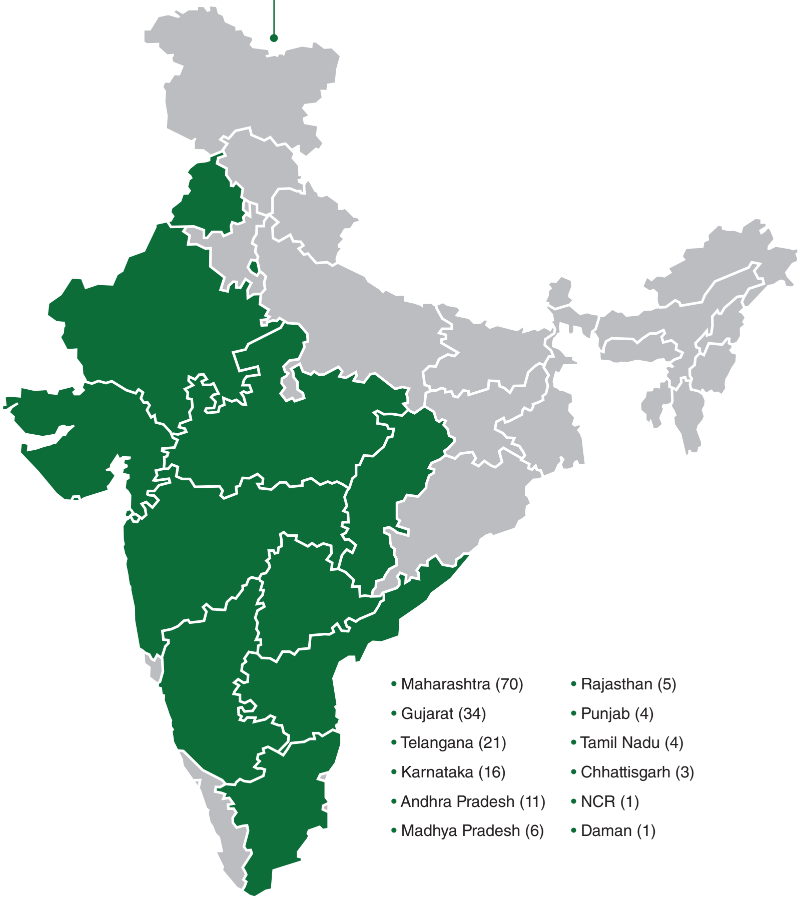
DMart

2017-18



- Maharashtra (62)
- Gujarat (30)
- Telangana (19)
- Karnataka (12)
- Andhra Pradesh (10)
- Madhya Pradesh (6)
- Rajasthan (5)
- Punjab (3)
- Tamil Nadu (3)
- Chhattisgarh (3)
- NCR (1)
- Daman (1)

2018-19



- Maharashtra (70)
- Gujarat (34)
- Telangana (21)
- Karnataka (16)
- Andhra Pradesh (11)
- Madhya Pradesh (6)
- Rajasthan (5)
- Punjab (4)
- Tamil Nadu (4)
- Chhattisgarh (3)
- NCR (1)
- Daman (1)

155 Stores

176 Stores

Key Product Categories

DMart offers varied, everyday-use items to its customers with a prudent product mix. The products on offer at our stores can be broadly classified into three categories – Foods, Non-foods and General Merchandise and Apparel.

THE KEY PRODUCT CATEGORIES CAN BE CLASSIFIED INTO:

Foods

Dairy, staples, groceries, snacks, frozen products, processed foods, beverages & confectionery and fruits & vegetables

51.25%
Revenue Contribution FY 2018-19

51.55%
Revenue Contribution FY 2017-18

Non-Foods (FMCG)

Home care products, personal care products, toiletries and other over-the-counter products

20.46%
Revenue Contribution FY 2018-19

20.03%
Revenue Contribution FY 2017-18

General Merchandise & Apparel

Bed & bath, toys & games, crockery, plastic goods, garments, footwear, utensils and home appliances

28.29%
Revenue Contribution FY 2018-19

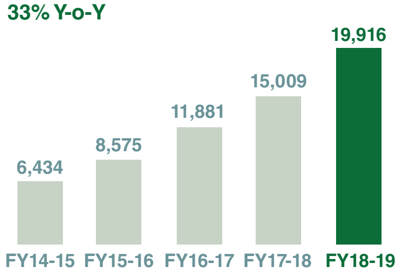
28.42%
Revenue Contribution FY 2017-18

Key Performance Indicators

With a strategy of maintaining cost efficiencies while offering the best customer value, DMart has continued to witness stable performance across financial and operational parameters, year-on-year.

REVENUE FROM OPERATIONS

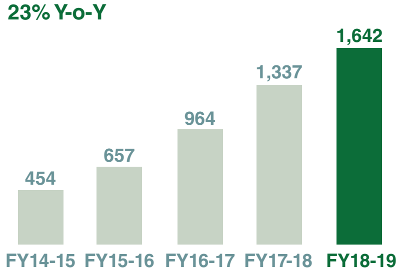
33% Y-o-Y



(₹ in crores)

EBITDA

23% Y-o-Y



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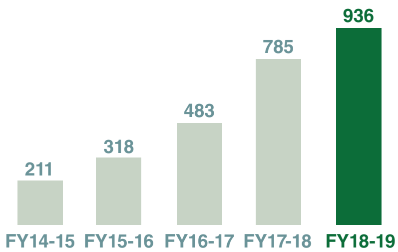
PROFIT AFTER TAX

19% Y-o-Y



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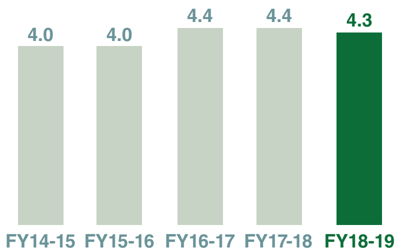
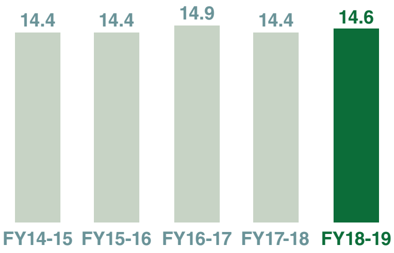
FIXED ASSET TURNOVER RATIO

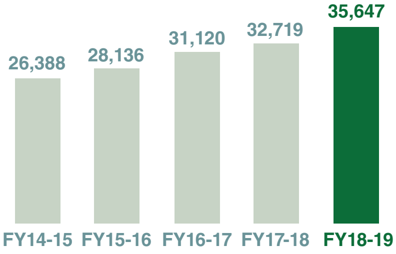


INVENTORY TURNOVER RATIO



REVENUE FROM SALES PER RETAIL BUSINESS AREA PER SQ. FT.

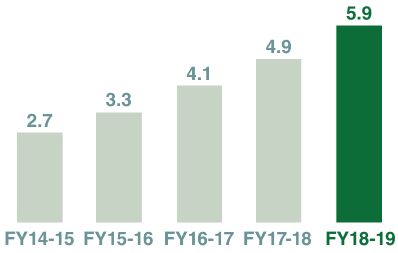
9% Y-o-Y



(in ₹)

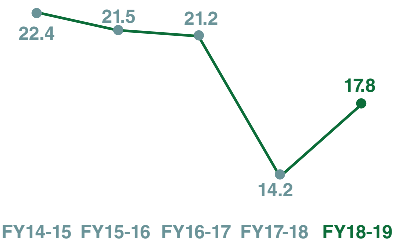
RETAIL BUSINESS AREA (AT THE END OF FISCAL)

20% Y-o-Y



(in million sq. ft.)

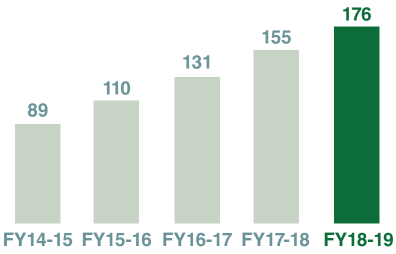
LIKE FOR LIKE GROWTH* (LFL)



(%)

* LFL growth means the growth in revenue from sales of same stores that have been operational for at least 24 months at the end of a fiscal.

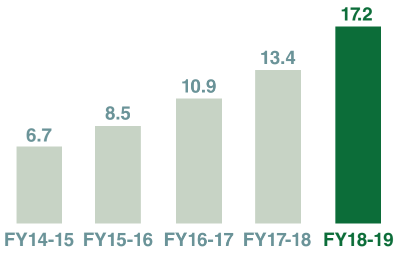
CUMULATIVE NUMBER OF STORES



(in numbers)

TOTAL BILL CUTS

28% Y-o-Y



(in crores)

Message from the Chairman

Our unwavering focus to delight and surprise our customers has paid off over the years and we are continuing to build on the customer trust we have earned.

Dear Shareholders,

I'm pleased to table before you the Annual Report for financial year ended 2018-19. DMart continues to grow its presence and has seen satisfactory performance across financial and operational metrics.

During the financial year, India continued to perform well with a 6.8% growth rate (Source: National Statistical Office). Two levers largely drive India's growth – robust government expenditure and rising domestic consumption levels. The government is strongly focusing on infrastructure development and much-needed structural reforms that eliminate bottlenecks and spurs investment. The latter however, is led by an aspirational, increasingly affluent middle-class enabled by rising disposable incomes. Large-scale

technology adoption, urbanisation and a shift to branded products have changed the face of India's retail.

As an emerging national retail chain, we at DMart are guided by India's consumption story.

Our unwavering focus to delight and surprise our customers has paid off over the years and we are continuing to build on the customer trust we have earned. We carry forward our 'Everyday Low Cost, Everyday Low Price' model to attract more customers to the world of DMart. We continue to open new stores using our cluster-based expansion model.

Our employees are central to our operations. Every day, they work hard with the end objective of delivering good quality products at a great value for every customer. They enable DMart to be the customer-centric organisation that we position ourselves as.

As a growing organisation, we are also mindful of the impact we have on the environment and society. We are actively pursuing green building certifications and reduced energy consumption to contain our impact on the environment. Meanwhile, our targeted intervention in the education space has shown measurable impact in nurturing the citizens of tomorrow.

We will continue on our journey to be more accessible and affordable for our customers, by expanding our reach and improving our processes constantly.

We strongly value and thank all our vendors and partners for their continued commitment and support. We will always act as a responsible citizen, accountable to the society and the environment. Through all this, we will continue to deliver superior shareholder value as well.

Let me end my note by thanking all the Board Members, the Senior Management Team and our beloved employees who have strived hard to make DMart what it is today. Going forward, I solicit your continued cooperation.

Best Regards,
Ramesh Damani
Chairman

Message from the Managing Director & CEO

We constantly look for ways to improve productivity across the organisation and believe that technology will be one of the key enablers to achieve this.

Dear Shareholders,

Our journey to build something valuable, exciting and endearing continued in the year 2018-19, albeit a bit slower. We ended the year with 176 stores, adding 21 new stores. We could have done better. While all operating metrics were good, I am personally disappointed with our store opening outcomes. It is partly structural and partly our own weakness. I say structural because we typically prefer to buy land and then construct the buildings. Real estate in our country is extremely localised and therefore challenging – states have different laws, different languages and different nuances. I also say it is our weakness because internally there are certain areas in this vertical which we can improve upon. However, it is not a problem we cannot solve, the only question to ask is 'by when?' We are working mighty hard on this... we hope to make good progress over the next few years.

This year operating metrics such as Same Store Sales Growth (SSSG), operating expenditure, turnover per square feet and revenue run rate of newly opened stores was very encouraging. Within those high points, SSSG pleasantly surprised us. It partly compensated for the unsatisfactory new store addition. SSSG is tough to predict as different levers operate during the year. Competitive context, physical infrastructure limitations of the incumbent store, a new DMart store opening close to an existing DMart store are possible variables that could impact SSSG apart from the macroeconomic factors of demand.

This year we took huge strides to further invest in our internal capabilities and nurture our talent for the future. It is quite fascinating to see the young from difficult economic backgrounds doing so well. Hard work, commitment, discipline and tenure automatically create excellent character and competence for basic leadership roles. We are developing such talent in leaps and bounds. It also gives us immense satisfaction to see the gender gap being reduced over a period of time in these budding supervisory roles. Nurturing, sensitivity to softer issues and at the same time being firm when needed comes so naturally to the young women supervisors/ officers who work with us. It's however, tough for women to adjust to the demands of retail and we have a long way to go, but we are making conscious efforts to get more women into entry-level supervisory roles.

Our employees are the heart of our business. Their continued commitment, focus and hard work have been the bedrock of our success.

We continue to upskill our employees through rigorous training programmes. Our strong internal competency framework continues to provide opportunities for all our employees. We strive hard to foster a culture of honesty, integrity and utmost respect for all. If there is one thing I personally enjoy the most and would consider the top of line priority, it is to uplift this set of underprivileged employees who are hungry and parched to know more, do more and grow more. They distinctly understand that DMart offers them an extremely long-term opportunity that cannot be found elsewhere. Our ability to create this aspiration among budding young talent is extremely heartwarming.

We constantly look for ways to improve productivity across the organisation and believe that technology will be one of the key enablers to achieve this. Adopting appropriate technology will help us continue providing value to our customers and make shopping quicker and convenient for them. Our business model at DMart as well as DMart Ready is designed around that. DMart Ready is our endeavour to bring value closer to urban homes that otherwise couldn't have the DMart experience. We may not be the most convenient. Customers may find DMart not having the best assortment or favorable terms on home delivery. Customers may also find our e-commerce service just about functional. This may mean we won't be the largest e-commerce grocer or not even amongst the leading e-commerce grocers in India for quite a few years. We are still not the largest brick and mortar retailer. We don't chase to be the biggest; we just aspire to be better than we were last year.

DMart Ready in Mumbai is still very small in terms of revenue as well as scale of operations. In a lot of ways, it is reminiscent to how the DMart business was in the initial days around 15 years back. It took a lot of time. It's a work in progress. We are making a lot of mistakes, but we are learning quickly. We see DMart Ready as a long gestational project that could see relatively significant outcomes after 5-7 years, maybe even more. We are in this for the long term.

On sustainability and our social responsibility, we are doing more of the same. We are focusing on green building certifications and on education interventions in municipal schools of Mumbai. We try a lot of different things and then filter it to a few where we see high-quality outcomes. This year has been more of the same in these two areas, just like our business operating principles.

We continue to invest in the green building energy project with the help of IGBC and USGBC. We now have 50 locations that are Gold certified Green Buildings. A green building as per IGBC/USGBC is one where a significant effort has been made from the time of construction to ensure the environment impact is minimal during construction and future operations. We have also made some good progress in using solar energy in new stores as well as existing stores which have infrastructure to support harnessing solar energy – 46 of our 176 stores have solar panels with a commissioned capacity of 4.2 MW.

Our CSR programme has made good progress and has positively impacted more than 95,000 students in the municipals schools of Mumbai this year. Our focus remains on improving the overall infrastructure and providing better learning aids to these schoolgoing children. School programmes take time to deliver results. We are targeting meaningful outcomes after maybe 5-7 years. We are intervening at a very young age and building on their foundational learning skills. We are very excited with this initiative and hope that we see good outcomes as children move from primary school to secondary school.

I believe that the ability to constantly focus on the 'mundane' and make it enjoyable to all is the only recipe for success in retail. We have to have a huge cohort of leaders who enjoy that routine. It is this mindset that sets apart the winners from the rest. The thrill is in looking for those small wins, those little gaps of opportunity, those tiny small improvements. While 'Retail is Detail' and 'Retail is SOP (Standard Operating Procedure) centric' is something we all hear very often, what we do not hear is constant oversight and personal engagement by supervisors and supervisor's supervisors and that supervisor's supervisor with the front line. It's important we do that. In this age of Artificial Intelligence, Automation and Big Data, a lot more human touch coupled with technology adoption could create high-quality competitive advantage.

As I reflect on my letters over the last 2 years and this letter, I believe I have adequately communicated all there is to know about DMart. Going forward I plan to write a letter only when there is something new and meaningful that has developed. However, we will continue communicating and disclosing on the yearly developments of the company through the other sections of the Annual Report.

Yours Sincerely,
Ignatius Navil Noronha
Managing Director & CEO

Sustainability at DMart

Sewage Treatment Plant (STP)

The success and scale of our operations allows us to make a significant positive impact to the environment. There is an opportunity to better collaborate and partner with all our stakeholders to improve our efforts on sustainability.

VENDORS/SUPPLIERS

We intend to take steps with our vendors/suppliers to ensure that they are committed towards the cause of climate change. There are several areas where we can work together to ensure advancing on our sustainability efforts such as reduction of plastic in packaged products, alternative packaging materials, reduction in emission of greenhouse gases, usage of sustainable materials and products in construction/ manufacturing etc.

CUSTOMERS AT OUR STORES

As we continue to provide great value to our customers at our stores, we also think of how we can take their help in this effort. Most local municipal authorities have taken strong steps to ensure appropriate disposal of solid waste. However, there are opportunities for our customers and us to contribute in several other areas. We continue to evaluate such opportunities and will ensure that we direct our efforts in appropriate areas.

We want to make a holistic difference to our communities and believe that this is only the beginning. We do envisage challenges but the opportunity to make a difference to the society is a strong motivating factor.

Our organisation continues to be aligned on our core objectives of

1. **Judicious use of natural resources**
2. **Reducing our carbon footprint**
3. **Minimal environmental impact**

Each day we strive hard to carry out our business within this core framework to make our operations clean and sustainable, thereby reducing our impact on the environment.

GREEN BUILDING CERTIFICATION

Green building refers to both a structure and the application of processes that are environmentally responsible and resource-efficient throughout a building's life cycle: from planning to design, construction, operation, maintenance, renovation and demolition. We have obtained Gold Certified Green Building Certification for 23 additional stores this year taking our total to 50 stores (covering more than 2.3 million sq. ft. of development). This certification is issued by the Indian Green Building Council (IGBC) under New Buildings Rating System (for 46 properties) and US Green Building Council under Leadership in Energy and Environmental Design rating system (4 properties). There are several factors which are considered for awarding this certification. Some of those are elaborated below in detail (including our efforts within those factors):

1. Energy Efficiency

Renewable Energy Use – We have continued to install rooftop solar plants at several of our existing and new projects. We have a total commissioned capacity of 4.2 MW on the rooftops of 46 of our stores.

Other Initiatives

- LED fixtures are installed at our stores to reduce overall energy consumption
- CFC-free refrigerants are used in our air conditioning equipment to reduce emission of greenhouse gases
- BEE 5-Star rated split air conditioning units are installed in all our offices to reduce overall energy consumption

Rooftop Solar Panels

2. Water Conservation

- We have installed low-flow water-efficient fixtures at our stores. These have aerators fixed by default to maintain and regulate water flow
- We have developed rainwater harvesting pits to collect rainwater run-off and harvest it (through groundwater recharge). This helps in addressing the issue of groundwater depletion
- At several of our stores, we have installed Sewage Treatment Plants (STPs) to recycle water and reduce the usage of local water supply. Treated water is used in our toilets for flushing
- We have installed waterless urinals on a pilot basis at some locations. If feasible, we will replicate this across all our stores

3. Sustainable Building Material

Usage of AAC Blocks – We encourage the usage of Autoclaved Aerated Concrete (AAC) Blocks, which contain up to 65% of recycled material, for construction of our stores. These blocks use fly-ash – a large pollutant byproduct of thermal power plants.

Ready Mix Concrete (RMC) – We strive to procure RMC and AAC Blocks from locations closest to our construction sites. In addition, we always encourage usage of fly-ash (within permitted limits) in our RMC which is used in our building construction.

Corporate Social Responsibility

Our constant focus on educating the citizens of tomorrow has seen strong progress in the current year. In FY 2018-19, we have aided more than 95,000 students and helped them in their goal of educating themselves for a better tomorrow. Our intent is to continue working towards foundational learning among the students leading to basic grade specific student learning outcomes.

Below are the key highlights of our programme for the year FY 2018-19:

PEDAGOGICAL AND INFRASTRUCTURE INTERVENTIONS

1. Improving Computer Literacy

Computer-aided learning is one of our flagship support programmes. Through a structured curriculum, we aspire to improve digital proficiency. Our curriculum focuses on improving basic computer skills, language and general knowledge proficiency and numerical skills. This year, some of our students worked on a programming language and created animations.

71
Fully Functional Computer Labs Built

2. Reading Programme

We continue to expand our library programme. We provide grade-specific books in all the libraries in three different languages to support differentiated intervention. Activity-based reading programme was implemented through these libraries to inculcate reading habit among students. This programme has benefited more than 50,000 students.

56
Libraries Built

3. Spoken English Proficiency

English language is one of the key enablers that connects our increasingly diverse world. Through our programme, we aim at improving spoken English skills of children in their elementary years using phonics and other relevant techniques. This intervention happens on a day-to-day basis through trained teachers and detailed lesson plans. The children have applied these skills by participating in extempore, mono acting etc. In addition, government teachers have also started using these techniques in their respective classes.

13,000
Students Positively Impacted

4. Habits of Cleanliness and Hygiene

Through our Swachh School Abhiyan, we inculcate habits of basic cleanliness and personal hygiene. We continue encouraging these schools through competitive grading among them. This has motivated all schools to maintain their facilities and promote cleanliness amongst students.

130
Schools Covered with 40,000+ Students

5. Building As a Learning Aid (BALA)

We have seen the positive impact of a well-designed and colorful workplace and our BALA initiative replicates this concept in public schools by designing and improving the aesthetics of the school premises. This facilitates a positive atmosphere among students and also helps them learn in an interactive way.

271
Schools Covered

6. Remedial Classes

We have extended our remedial classes programme for students in the 9th and 10th grades. This year, we covered 3,000 students from 28 schools, emphasising on sound preparation methodologies for their critical board exams. We also partnered with experts to create career awareness among students of several public schools.

3,000
Students Positively Impacted

7. Model Question Paper Sets

We have distributed model question paper set books to students in 248 municipal schools of Greater Mumbai. This has helped students better prepare for their examinations and thus achieve better grades.

18,000
Students Positively Impacted

PUBLIC PRIVATE PARTNERSHIP (PPP) MODEL SCHOOLS

We have adopted two public schools since the last three years. This year, students from these schools excelled in district-level sports competitions. We also organised educational tours for these students. The teachers were given training on various pedagogy and school practices to improve their teaching methodologies. Several monthly events encouraged all students to participate wholeheartedly in school activities.

100%
Results in the Secondary School Certificate (SSC) Examination in One School

PARENTS OUTREACH

We invite parents to attend meetings with experts, school management and teachers, educating the parents on several aspects with respect to their child's development, such as emotional connect, safety and personal hygiene; better nutrition practices; adolescent behavioural changes, and so on. We have noticed significant impact on parents through our programme.

146
Meetings Conducted

Board of Directors

Mr. Ignatius Navil Noronha
Managing Director & CEO

Mr. Elvin Machado
Whole-time Director

Mr. Ramesh Damani
Chairman & Independent Director


Mrs. Manjri Chandak
Non-executive Director
Mr. Chandrashekhar Bhave
Independent Director
Ms. Kalpana Unadkat
Independent Director
Mr. Ramakant Baheti
Whole-time Director & Group CFO

Senior Leadership Team

Mr. Ignatius Navil Noronha
Managing Director & CEO

Mr. Ramakant Baheti
Whole-time Director & Group CFO

Mr. Elvin Machado
Whole-time Director

Mr. Udaya Bhaskar Yarlagadda
Chief Operating Officer,
Retail - West

Mr. Narayanan Bhaskaran
Chief Operating Officer,
Retail - North and South

Mr. Niladri Deb
Chief Financial Officer

Mr. Dheeraj Kampani
Vice President,
Buying and Merchandising

Mr. Hitesh Shah
Vice President, Operations

Corporate Information

BOARD OF DIRECTORS

Mr. Ramesh Damani
Independent Director (Chairman)

Mr. Chandrashekhar Bhave
Independent Director

Ms. Kalpana Unadkat
Independent Director
(w.e.f. 30th July, 2018)

Mrs. Manjri Chandak
Non-executive Director

Mr. Ignatius Navil Noronha
Managing Director & CEO

Mr. Ramakant Baheti
Whole-time Director & Group CFO

Mr. Elvin Machado
Whole-time Director

CHIEF FINANCIAL OFFICER

Mr. Niladri Deb
(w.e.f. 7th May, 2018)

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Ashu Gupta

COMMITTEES OF THE BOARD

Audit Committee
Mr. Chandrashekhar Bhave – Chairman
Mr. Ramesh Damani – Member
Ms. Kalpana Unadkat – Member
(w.e.f. 13th October, 2018)
Mr. Ramakant Baheti – Member

Nomination & Remuneration Committee
Mr. Chandrashekhar Bhave – Chairman
Mr. Ramesh Damani – Member
Mrs. Manjri Chandak – Member

Stakeholder Relationship Committee
Mrs. Manjri Chandak – Chairperson
Mr. Ramesh Damani – Member
(w.e.f. 30th July, 2018)
Mr. Ramakant Baheti – Member

Corporate Social Responsibility Committee
Mr. Chandrashekhar Bhave – Chairman
Mr. Ramesh Damani – Member
Mr. Ramakant Baheti – Member
Mrs. Manjri Chandak – Member

Risk Management Committee
Mr. Ignatius Navil Noronha – Chairman
Mr. Ramakant Baheti – Member
Mrs. Manjri Chandak – Member
Mr. Ashutosh Dhar – Member
Mr. Vikram Bhatia – Member

BANKERS

HDFC Bank Limited
Kotak Mahindra Bank Limited
ICICI Bank Limited
Axis Bank Limited
The Hong Kong and Shanghai Banking Corporation Limited
State Bank of India

DEBENTURE TRUSTEES

IDBI Trusteeship Services Limited

AUDITORS

S R B C & Co LLP
Chartered Accountants

REGISTERED OFFICE

Anjaneya Co-op. Housing Society Ltd.
Orchard Avenue, Opp. Hiranandani
Foundation School, Powai,
Mumbai - 400 076

Tel: +91-22-40496500
Fax: +91-22-40496503

CORPORATE OFFICE

B–72/72A, Wagle Industrial Estate,
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Thane - 400 604

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REGISTRAR & SHARE TRANSFER AGENT

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Management Discussion and Analysis

Your Management is pleased to present the discussion and analysis for the year ended 31st March, 2019.

1. ECONOMIC OVERVIEW

During FY 2018-19, India continued on a strong growth path and is expected to grow at a healthy 6.8% (Source: National Statistical Office). This is on the back of increased government expenditure, growing consumption rates and structural reforms.

The Goods and Services Tax (GST) rolled out in 2017 has shown encouraging progress in the overall collection of indirect taxes and has crossed ₹11.7 lakh crore in FY 2018-19 (Source: Finance Ministry). GST has made large inroads in formalising the economy and has created a level-playing field for all businesses.

India's headline inflation figures remained under targeted levels during the year and this has given the Reserve Bank of India headroom to adopt a calibrated approach to monetary policy easing. The last two monetary policy announcements witnessed back-to-back rate cuts and this is expected to spur further economic activity in the country.

Other fundamentals in the economy remained robust, with forex reserves maintained above $400 billion level, India's ease of doing business ranking soaring and direct tax collections also crossing ₹10 lakh crore in FY 2018-19.

Outlook

India's economy is expected to continue on this growth path, with bodies like the International Monetary Fund (IMF) expecting the economy to grow at 7.3% in FY 2019-20. Robust consumption growth and prudent fiscal policy are expected to act as enablers of this growth. The government's infrastructure focus and the continued implementation of announced policies and programmes will also provide impetus to the nation's growth.

2. INDUSTRY OVERVIEW (INCLUDING OPPORTUNITIES AND THREATS)

India is a burgeoning market which is driven by large-scale domestic consumption. The retail segment is witnessing a significant shift and is growing rapidly to reach a market size of $960 billion by FY 2020. Primary drivers of this growth will be rising income levels, lifestyle changes adopted by an increasingly affluent middle class and increased digtalisation and technology adoption.

India has also seen a significant growth in the number of internet users; consequently the e-commerce market has also seen the positive impact of this penetration. The country is witnessing some large-scale investments in this market. E-commerce would form 4%-6% of the total retail market, whereas organised retail would take up 12% at the end of FY 2019-20. The rest is attributed to traditional retail, which will witness gradual adoption of organised retail practices, driven by measures such as GST.

The government has adopted a liberal Foreign Direct Investment (FDI) policy in both single and multi-brand retail and this would further boost retail investments in the country. This has already attracted sizeable investments, either as greenfield investments or as facilitators of consolidation via acquisitions. Growing investments would certainly expand the retail market offerings and would bring better products and services to discerning Indian consumers.

Economic headwinds (such as GDP slowdown, decreased rural spending, rising commodity prices) and growth of e-tailing industry are the key threats to the organised brick and mortar industry. Organisations will have to continue to remain agile and adaptable to mitigate such threats.

3. BUSINESS OVERVIEW

Avenue Supermarts Limited is an emerging national supermarket chain, with a strong focus on value-retailing.

We opened our first store in Mumbai, Maharashtra in 2002. As of 31st March, 2019, we had 176 stores with retail business area of 5.9 million sq.ft., located in Maharashtra (70 stores), Gujarat (34), Karnataka (16), Telangana (21), Andhra Pradesh (11), Madhya Pradesh (6), Chhattisgarh (3), NCR (1), Daman (1), Tamil Nadu (4) Rajasthan (5) and Punjab (4).

We continue to focus on our strategy of offering value retailing to our customers using the Everyday Low Cost/ Everyday Low Price (EDLC/EDLP) principle.

Our stores are supported by technology and operational management systems specific to our business needs. These systems streamline many of our functions such as procurement, sales, supply chain and inventory control processes and provides updated information to support our business, on a daily basis. As a result, we are able to procure our merchandise from our distribution centres or directly from our suppliers and manage our inventory levels efficiently to better respond to our customers' changing preferences and needs.

3.1 Key Performance Indicators

At the end of FY 2018-19, FY 2017-18, FY 2016-17, FY 2015-16 and FY 2014-15, we had 176, 155, 131, 110 and 89 stores with retail business area of 5.9 million sq. ft., 4.9 million sq. ft., 4.1 million sq. ft., 3.3 million sq. ft. and 2.7 million sq. ft., respectively

We operate distribution centres and packing centres, which form the backbone of our supply chain to support our retail store network. As of 31st March, 2019, we had 35 distribution centres and 7 packing centres in Maharashtra, Gujarat, Telangana, Karnataka and Madhya Pradesh.

We have witnessed a steady growth in our total number of bill cuts. Our total number of bill cuts, was 17.2 crores during the FY 2018-19 as compared to 13.4 crores during FY 2017-18.

Our annualised revenue from sales per retail business area sq. ft. (#) was ₹ 35,647 for FY 2018-19 and ₹ 32,719 for FY 2017-18.

#Annualised revenue from sales calculated on the basis of 365 days in a year (on standalone basis) divided by retail business area at the end of the financial year.

3.2 Financial Performance

(₹ in crore)

Particulars	Standalone			Consolidated		
	FY 2019	FY 2018	Increase/ (Decrease)%	FY 2019	FY 2018	Increase/ (Decrease)%
Net Sales/Income from Operations	19,916.25	15,008.89	32.70	20,004.52	15,033.20	33.07
Other Income	51.41	72.64	(29.23)	48.35	69.32	(30.25)
Finance Cost	47.15	59.41	(20.64)	47.21	59.54	(20.71)
Profit Before tax	1,447.64	1,195.91	21.05	1,421.94	1,222.07	16.36
Profit After Tax	936.35	784.68	19.33	902.46	806.28	11.93
EPS - Basic (in ₹)	15.00	12.57	-	14.46	12.92	-
EPS - Diluted (in ₹)	14.79	12.41	-	14.26	12.76	-

Key Financial Ratios

Particulars	FY 2019	FY 2018
Operating Profit Margin (%)	7.51	8.85
Net Profit Margin (%)	4.70	5.23
Interest Coverage Ratio[1]	31.70	21.13
Debtors Turnover[2]	212.25	324.61
Inventory Turnover (Based on sales)	14.63	14.43
Current Ratio[3]	1.67	2.88
Debt Equity Ratio[4]	0.12	0.09
Return on Net Worth[5]	0.18	0.19

1. Increase in interest coverage ratio is due to higher earnings with no corresponding increase in finance cost.
2. Debtors turnover is based on sales made through cards and was reduced due to weekend on 30th & 31st March, 2019.
3. Current ratio is impacted due to increase in current maturity of long-term borrowing.
4. Increase in debt equity ratio is due to marginal increase in debt compared to equity.
5. Return on Net Worth is lower for the year ended 31st March, 2019 due to lower rate of growth in profit after tax.

3.3 Human Capital

Our strategies revolve around the evolving aspirations of consumers. Our experienced management team, along with motivated and well-trained employees has enabled us to successfully establish a customer-oriented corporate culture. Our culture drives our strategy and provides a strong foundation to retain and enhance our long-term competitiveness.

We believe that our emphasis on training our employees improves our operational efficiency as well as our customer service standards. These training programmes focus on:

(i) Responsibility to customers to provide them quality products at affordable prices

(ii) Constantly improving our operations at stores to enhance our customer service standards

Our objective is to improve their skills and service standards, enhance loyalty, reduce attrition rates and increase their productivity.

We also believe that our employees have been an important factor in our success, as they drive the quality and efficiency of our services. We have followed transparent management policies over the years, encouraging employees to take up challenging roles and responsibilities to drive organisational growth.

The Company had a total of 7,713 permanent employees and 33,597 employees hired on contractual basis as of 31st March, 2019.

3.4 Information Technology (IT)

We have benefited from our in-depth understanding of local needs and our ability to respond quickly to the changing consumer preferences.

Our IT systems are built with a wide range of data management tools specific to our business needs and support key aspects of our business. IT helps our cash management systems, in-store systems, logistics systems, human resources, projects management, maintenance and other administrative functions. This helps us to minimise product shortage, pilferage, out of stock situations etc., and increase overall operational efficiency.

3.5 Internal Control Systems and their Adequacy

We have put in place internal control systems and a structured internal audit process vested with the task of safeguarding the assets of the organisation and ensuring reliability and accuracy of the accounting and other operational data. The internal audit department reports to the Audit Committee of the Board of Directors.

Similarly, we maintain a system of monthly review of the business as a key operational control wherein the performance of units is reviewed and corrective action is initiated. We also have in place a capital expenditure control system for authorising spend on new assets and projects. Accountability is established for implementing the projects on time and within the approved budget.

The Audit Committee and the Top Management are regularly apprised of the internal audit findings and regular updates are provided to the Top Management of the action taken on the internal audit reports. The Audit Committee reviews the quarterly, half yearly and the annual financial statements of the Company. A detailed note on the functioning of the Audit Committee and of the other Committees of the Board forms part of the section on corporate governance in the Annual Report.

During the year, we carried out a detailed review of internal financial controls. The findings were satisfactory and suggestions for improvement have been taken up for implementation. Policy guidelines and Standard Operating Procedures (SOPs) continue to be updated where required to keep pace with business requirements.

3.6 Risks and Concerns

The Board of Directors reviews the Company's business risks and formulates strategies to mitigate those risks. The Senior Management team, led by the Managing Director, is responsible to proactively manage risks with appropriate mitigation measures and implementation thereof.

Below are some of the key risks and concerns in our business

- Availability of commercially viable real estate properties at suitable locations for our new stores, timely execution and regulatory approvals of these properties
- Our ability to attract, hire, train and retain skilled employees
- Our continued understanding and prediction of consumers' changing needs and preferences and consequent tailoring of our offerings
- Effective management of our store expansion and operations in newer locations/cities/states

CAUTIONARY STATEMENT

Statements in this Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may materially differ from those expressed or implied.

Directors' Report

Dear Members,

Your Directors are pleased to present the Nineteenth Annual Report of Avenue Supermarts Limited ("the Company") together with the audited financial statements of the Company for the financial year ended 31st March, 2019.

FINANCIAL PERFORMANCE

The Company's financial performance during the year ended 31st March, 2019 compared to the previous financial year is summarized below:

(₹ in crore)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Income from operations	19,916.25	15,008.89	20,004.52	15,033.20
Other Income	51.41	72.64	48.35	69.32
Total Income	**19,967.66**	**15,081.53**	**20,052.87**	**15,102.52**
Expenses	18,520.02	13,885.62	18,630.93	13,898.93
Share of Net Loss of Associate Company	-	-	-	-20.04
Gain on fair valuation of pre-existing equity interest in Associate Company	-	-	-	38.52
Profit before tax	**1,447.64**	**1,195.91**	**1,421.94**	**1,222.07**
Less: Tax Expense	511.29	411.23	519.48	415.79
Profit after Tax	**936.35**	**784.68**	**902.46**	**806.28**
Other comprehensive Income (net of taxes)	-1.27	-0.52	-1.31	-0.50
Total Comprehensive income for the year	935.08	784.16	901.15	805.78

The financial statements for the year ended 31st March, 2019 have been prepared under Ind AS (Indian Accounting Standards).

BUSINESS AND OPERATIONS

Your Company delivered yet another year of steady growth by opening 21 (Twenty-one) new stores, thereby taking the total count to 176 stores across the country. The Company continued to focus on its existing strategy of offering value retailing to the customers using the EDLC/EDLP (Everyday Low Cost/Everyday Low Price) principle.

On standalone basis, the total income for FY19 was ₹19,967.66 crore, which is 32.40% higher over the previous year's income of ₹15,081.53 crore. Our total income on consolidated basis for FY19 was ₹ 20,052.87 crore as against ₹ 15,102.52 crore during FY 2018.

On standalone basis, the net profit after tax (PAT) for FY19 stood at ₹ 936.35 crore as against previous year's net profit of ₹784.68 crore thereby recording a growth of 19.33%. Our net profit after tax (PAT) on consolidated basis for FY19 amounted for ₹902.46 crore as compared to ₹806.28 crore in the previous year.

There was no change in nature of business of the Company, during the year under review.

CREDIT RATING

Your Company has been rated by CRISIL Limited ("CRISIL") and Credit Analysis and Research Limited ("CARE") for its debentures and long-term bank facilities/ commercial paper programmes.

On 24th September, 2018, CRISIL re-affirmed its rating on the Company's commercial paper programme at **'CRISIL A1+'** from ₹ 70 crore to ₹ 200 crore.

On 25th September, 2018, CRISIL upgraded its rating on the long-term bank facilities and non-convertible debentures of the Company from "CRISIL AA/Positive" to **"CRISIL AA+/Stable"**.

Further, on 26th October, 2018, CRISIL re-affirmed its rating on the Company's commercial paper programme at **'CRISIL A1+'** from ₹ 200 crore to ₹ 500 crore.

"CARE A1+" (CARE A one plus) is reaffirmed by CARE for the Company's commercial paper / short-term debt programme. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations and carries lowest credit risk.

With the above rating affirmations, the Company continues to enjoy high credit quality rating for its debentures and long-term bank facilities/commercial paper programme.

UTILIZATION OF IPO PROCEEDS

The proceeds of funds raised under IPO by the Company are being utilized as per Objects of the Issue. The disclosure in compliance with the Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations") is as under:

Sr. No.	Particulars	Projected utilization of IPO proceeds as per the Objects of the Issue (₹ in crore)	Actual utilization of IPO proceeds upto 31st March, 2019 (₹ in crore)	Deviation (if any)
1.	Repayment or Prepayment of a portion of loans and redemption or early redemption of NCDs availed by the Company	1,080.00	1,034.00	NIL
2.	Construction and purchase of fit outs for new stores	366.60	320.03	NIL
3.	General Corporate expenses (excluding IPO expenses)	394.02	394.01	NIL
	Total	**1,840.62**	**1,748.04**	

The Company appointed HDFC Bank Ltd. as a Monitoring Agency in accordance with the Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations for monitoring the use of proceeds of IPO of the Company.

There has been no deviation in the utilization of IPO proceeds by the Company as mentioned in the Prospectus and actuals.

SHARE CAPITAL

During FY 2019 there was no change in the authorised and paid-up share capital of the Company. The paid up Equity Share Capital as on 31st March, 2019 amounted to ₹ 624.08 crore.

The Company has neither issued any shares with differential rights as to dividend, voting or otherwise nor issued any sweat equity shares during the year under review.

DIVIDEND

With a view to conserve resources for expansion of business, your Directors have thought it prudent not to recommend any dividend for the financial year under review.

DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy adopted by your Company is available on the Company's website at http://www.dmartindia.com/investor-relationship. The said Policy is disclosed under **Annexure - I** to this Report.

TRANSFER TO RESERVES

The Company has not transferred any amount of profit to the reserves during the financial year under review.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared as per the relevant Indian Accounting standards (Ind AS) as issued by the Institute of Chartered Accountants of India and notified under Section 133 of the Companies Act, 2013 with the rules made thereunder. The said Consolidated Financial Statements form part of this Annual Report.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company has 5 subsidiaries as on 31st March, 2019.

ALIGN RETAIL TRADES PRIVATE LIMITED (ARTPL)

ARTPL, a wholly-owned subsidiary Company incorporated on 22nd September, 2006, is engaged in the business of packing and selling of grocery products, spices, dry fruits, etc. Its revenue from operations for FY 2019 stood at ₹ 920.10 crore against ₹701.86 crore in the previous year and the Company posted net profit after tax of ₹10.10 crore for FY 2019 against ₹5.68 crore for FY 2018.

AVENUE FOOD PLAZA PRIVATE LIMITED (AFPPL):

AFPPL is a wholly-owned subsidiary Company incorporated on 8th June, 2004. It is engaged in the business of operating food stalls at DMart stores. The revenue from operations of the Company for FY 2019 stood at ₹23.59 crore as against ₹17.81 crore for FY 2018. The Company reported net profit after tax of ₹5.67 crore against ₹4.17 crore for previous year.

AVENUE E-COMMERCE LIMITED (AEL)

AEL, a subsidiary Company incorporated on 11th November, 2014 is engaged in the business of online grocery retail under the brand name "DMart Ready". AEL currently operates its business in select areas of Mumbai region. AEL allows its customers to order a broad range of grocery and household products through its mobile app DMart online grocery shopping and through the website www.dmart.in. Customers can either self-pick up their online orders from any designated Dmart Ready Pick-Up Points or get them delivered at their doorstep.

AEL's revenue from operations for FY 2019 stood at ₹143.59 crore vis-a-vis ₹44.13 crore in the FY 2018. The Company registered a loss of ₹50.82 crore against the loss of ₹ 48.08 crore in FY 2018.

NAHAR SETH & JOGANI DEVELOPERS PRIVATE LIMITED (NSJDPL):

NSJDPL is a subsidiary Company incorporated on 21st February, 2014, with main object of, among others, development of land and construction. Revenue from operations of the Company for FY 2019 and FY 2018 was ₹0.75 crore and earned net profit after tax of ₹0.47 crore for FY 2019 against ₹0.48 crore lakhs for FY 2018.

REFLECT WHOLESALE AND RETAIL PRIVATE LIMITED (RWRPL)

RWRPL, a wholly-owned subsidiary Company incorporated on 28th May, 2018, to carry on the business of wholesale and retail of goods and products. It is yet to commence its operations.

The Company does not have any Joint Venture or Associate Company within the meaning of Section 2(6) of the Companies Act, 2013. No material change has taken place in the nature of business of the subsidiaries.

Pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 and 8 of the Companies (Accounts) Rules, 2014, the salient features of the financial statements and performance of each subsidiary in Form AOC-1 is disclosed under **Annexure - II** and forms part of this Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements and separate audited financial statements in respect of subsidiaries is available on the website of the Company under web link http://www.dmartindia.com/investor-relationship. The same are also available to Members for inspection during business hours on all working days at the Registered Office address of the Company.

RELATED PARTY TRANSACTIONS

All related party transactions entered into by the Company during the financial year under review were in the ordinary course of business and on arm's length basis and the same were in compliance with the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). The transactions entered into during the financial year were in conformity with the Company's Policy on Related Party Transactions.

During the year 2018-19, your Company did not enter into any material related party transactions. Accordingly, disclosure with respect to the Related Party Transactions in the Form AOC – 2 in terms of Section 134 of the Companies Act, 2013 is not applicable.

The Company has formulated a policy on the Related Party Transactions, which was revised and approved by the Board of Directors of the Company at their meeting held on 30th July, 2018. The said Policy is hosted on the Company's website at www.dmartindia.com.

Particulars of Loans, Guarantees, Investments and Securities

Particulars of loans given, investments made, guarantees given and securities provided during the year under review and as covered under the provisions of Section 186 of the Companies Act, 2013 have been disclosed in the notes to the standalone financial statements forming part of the Annual Report.

MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company comprises of seven Directors, of which three are Executive Directors, one Non-executive Woman Director and three Independent Directors (including a Woman Director).The constitution of the Board of Directors of the Company is in accordance with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, as amended from time to time.

Appointments

Re-appointment of Mr. Elvin Machado

The members of the Company at their 18th Annual General Meeting (AGM) held on 28th August, 2018 re-appointed Mr. Elvin Machado (DIN: 07206710) as a Whole-time Director of the Company, for a term of three years commencing from 10th June, 2018.

Appointment of Ms. Kalpana Unadkat

Ms. Kalpana Unadkat (DIN: 02490816) was appointed as an Additional Director on the Board of the Company (Independent Category) under Section 161 of the Companies Act, 2013 read with rules made there under with effect from 30th July, 2018 upto the Annual General Meeting of the Company.

Subsequently, appointment of Ms. Kalpana Unadkat as an Independent Director of the Company as per the provisions of Section 149 of the Companies Act, 2013 read with rules made there under for a term of five years commencing from 30th July, 2018 was confirmed by the members of the Company at their 18th Annual General Meeting (AGM) held on 28th August, 2018.

Re-appointment of Mr. Ramesh Damani

The members of the Company re-appointed Mr. Ramesh Damani (DIN: 00304347) as an Independent Director of the Company for a term of five years commencing from 1st April, 2019 through Postal Ballot on 6th March, 2019.

Re-appointment of Mr. Ramakant Baheti

Mr. Ramakant Baheti (DIN: 00246480) was re-appointed as a Whole-time Director of the Company designated as 'Group Chief Financial Officer' for a term of five years commencing from 1st May, 2019 by the members of the Company through Postal Ballot on 6th March, 2019.

Directors retiring by rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the relevant rules made thereunder, one-third of the Directors are liable to retire by rotation every year and if eligible, offer themselves for re-appointment at the AGM.

Mrs. Manjri Chandak (DIN: 03503615), Director being longest in the office, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and she being eligible has offered herself for re-appointment. The Board of Directors recommend her re-appointment and the matter is being placed for seeking approval of members at the ensuing Annual General Meeting of the Company.

Pursuant to Regulation 36 of the Listing Regulations read with Secretarial Standard – 2 on General Meetings, brief details of Mrs. Manjri Chandak, are provided as an Annexure to the Notice of the Annual General Meeting.

Key Managerial Personnel

During the year under review, the Board at its meeting held on 5th May, 2018, as per the recommendations received from the Nomination & Remuneration Committee and the Audit Committee, re-designated Mr. Ramakant Baheti (DIN:00246480) as a Whole-time Director and Group Chief Financial Officer of the Company and appointed Mr. Niladri Deb as the Chief Financial Officer of the Company.

Declarations by Independent Directors

In accordance with Section 149(7) of the Companies Act, 2013, as amended, each Independent Director of the Company has given written declaration confirming that he/she meets the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013.

Familiarization Programme

The Company has conducted familiarization programme for the Independent Directors of the Company covering the matters as specified in Regulation 25(7) of the Listing Regulations. The details of the training and familiarization program conducted by the Company are hosted on the Company's website under the web link http://www.dmartindia.com/investor-relationship.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Board Meetings

The Board of Directors met five (5)times during the financial year under review. The details of the Board meetings and attendance of each Director thereat are provided in the Corporate Governance Report forming part of the Annual Report.

Audit Committee

The Company's Audit Committee composition is in line with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The composition of the Audit Committee is as under:

Sr. No.	Name	Category	Designation
1.	Mr. Chandrashekhar Bhave	Non-Executive and Independent Director	Chairman
2.	Mr. Ramesh Damani	Non-Executive and Independent Director	Member
3.	Ms. Kalpana Unadkat*	Non-Executive and Independent Director	Member
4.	Mr. Ramakant Baheti	Executive Director	Member

* The Audit Committee was re-constituted w.e.f. 13th October, 2018 by inducting Ms. Kalpana Unadkat, Non-Executive and Independent Director as a Member of the Committee.

The Members of the Audit Committee are financially literate and have requisite accounting and financial management expertise. The terms of reference of the Audit Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee is in conformity with the provisions of the Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The composition of the Nomination and Remuneration Committee is as under:

Sr. No.	Name	Category	Designation
1.	Mr. Chandrashekhar Bhave	Non-Executive and Independent Director	Chairman
2.	Mr. Ramesh Damani	Non-Executive and Independent Director	Member
3.	Mrs. Manjri Chandak	Non-Executive Director	Member

The terms of reference of the Nomination and Remuneration Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report.

The Company has formulated Nomination and Remuneration Policy, which sets standards for nomination, remuneration and evaluation of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company.

Taking into view the recommendations received from the Nomination & Remuneration Committee, the Board of Directors adopted revised Nomination and Remuneration Policy at their meeting held on 30th July, 2018.

The Nomination and Remuneration Policy of the Company is hosted on the Company's website under the web link http://www.dmartindia.com/investor-relationship. The Nomination and Remuneration Policy of the Company is disclosed under **Annexure III** and forms part of this report.

Stakeholders Relationship Committee

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Stakeholders' Relationship Committee was constituted by the Board of Directors.

The composition of the Stakeholders Relationship Committee is as under:

Sr. No.	Name	Category	Designation
1.	Mrs. Manjri Chandak	Non-Executive Director	Chairperson
2.	Mr. Ramesh Damani*	Non-Executive and Independent Director	Member
3.	Mr. Ramakant Baheti	Executive Director	Member

*The Stakeholders' Relationship Committee was re-constituted w.e.f. 30th July, 2018 by inducting Mr. Ramesh Damani (DIN: 00304347), Non-Executive and Independent Director as a Member of the Committee.

The brief terms of reference of the Stakeholders' Relationship Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report.

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company has constituted Corporate Social Responsibility (CSR) Committee. The Committee is entrusted with the responsibility of:

- Formulating and recommending to the Board, Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken;
- Monitoring the implementation of framework of the CSR Policy; and
- Recommending the amount to be spent on CSR activities.

The brief outline of the Company's CSR initiatives undertaken during the year under review is disclosed in **Annexure – IV** in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company's CSR Policy is placed on the website of the Company www.dmartindia.com.

The composition of the CSR Committee is as under:

Sr. No.	Name	Category	Designation
1.	Mr. Chandrashekhar Bhave	Non-Executive and Independent Director	Chairman
2.	Mr. Ramesh Damani	Non-Executive and Independent Director	Member
3.	Mrs. Manjri Chandak	Non-Executive Director	Member
4.	Mr. Ramakant Baheti	Executive Director	Member

The brief terms of reference, particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report.

Risk Management Committee

Pursuant to Regulation 21 of the Listing Regulations, the Board has constituted Risk Management Committee to frame, implement and monitor risk management plan of the Company. The Board has adopted the Risk Management Policy and guidelines to mitigate foreseeable risks, avoid events, situations or circumstances, which may lead to negative consequences on the Company's businesses. The major risks identified are systematically approached through mitigating actions on continual basis. Risk evaluation is an ongoing and continuous process within the Company and it is regularly updated to the Board of the Company.

The Risk Management Committee has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's enterprise wide risk management framework. A detailed analysis of the business risks and opportunities is given under Management Discussion and Analysis Report.

The composition of the Risk Management Committee is as under:

Sr. No.	Name	Category	Designation
1.	Mr. Ignatius Navil Noronha	Executive Director	Chairman
2.	Mr. Ramakant Baheti	Executive Director	Member
3.	Mrs. Manjri Chandak	Non-Executive Director	Member
4.	Mr. Ashutosh Dhar	VP – Risk Management	Member
5.	Mr. Vikram Bhatia	VP – Information Technology	Member

Director's Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2019; the Board of Directors hereby confirms that:

a. in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. such accounting policies have been selected and applied consistently and the Directors 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 at 31st March, 2019 and of the profit of the Company for that year;

c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts of the Company have been prepared on a going concern basis;

e. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.

f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Vigil Mechanism

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and in accordance with Regulation 22 of the Listing Regulations, the Company had adopted 'Vigil Mechanism Policy' for Directors and Employees of the Company to report concerns about unethical behavior. The policy provides a mechanism, which ensures adequate safeguards to Employees and Directors from any victimization on raising concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, and so on. The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The said Policy was revised and approved by the Board of Directors of the Company at their meeting held on 24th March, 2019. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Vigil Mechanism Policy is hosted on the Company's website www.dmartindia.com.

Annual Evaluation of Directors, Committees and Board

Pursuant to the provisions of the Companies Act, 2013 and as per the Listing Regulations, the Board of Directors has carried out annual performance evaluation of its own performance, the directors individually as well as the working of its Committees.

The performance of the Board as a whole and of its Committees was evaluated by the Board through structured questionnaire which covered various aspects such as the composition and quality, meetings and procedures, contribution to Board processes, effectiveness of the functions allocated, relationship with management, professional development, adequacy, appropriateness and timeliness of information etc.

Taking into consideration the responses received from the Individual Directors to the questionnaire, performance of the Board and its Committees was evaluated. The Directors expressed their satisfaction with the evaluation process.

In terms of requirements of Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors of the Company was held on Saturday, 12th January, 2019 to review:

- The performance of Non- Independent Directors (including the Chairperson);
- The performance of the Board as a whole and its Committees thereof, taking into views of Executive and Non-executive Directors: and
- To assess the quality, quantity and timeliness of the flow of information between the Management and the Board.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

PARTICULARS OF EMPLOYEES

The disclosure pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure –V.**

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company for inspection and shall be made available to any member on request.

Employee Stock Options

The Members of the ESOP Committee vide circular resolution dated 14th March, 2017 approved grant of 13,973,325 options under the ESOP Scheme 2016 to its eligible employees. The Employee Stock Option Scheme 2016 is being administered and monitored by the ESOP Committee of the Company. During the year under review, the Company has not granted any Employee Stock Options.

There was no material change in the said scheme during the year under review and the scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

In terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, the details of the Stock Options granted under the aforesaid ESOP Scheme are uploaded on the website of the Company www.dmartindia.com.

A certificate from S R B C & Co. LLP, Statutory Auditors of the Company, has been obtained by the Company with respect to implementation of Employee Stock Option Scheme, 2016 and the same shall be placed at the ensuing 19th Annual General Meeting for inspection by the Members and the copy of the same shall be made available for inspection at the Registered Office of the Company.

Internal Financial Control Systems and their adequacy

The details of the internal financial control systems and their adequacy are included in Management Discussions and Analysis Report, which forms part of the Annual Report.

AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under:

Statutory Auditors

S R B C & Co. LLP, Chartered Accountants (Firm Registration No.: 324982E/E300003) were appointed as Statutory Auditors of your Company at the 17th Annual General Meeting held on 6th September, 2017, for a term of five consecutive years from the conclusion of that Annual General Meeting until the conclusion of 22nd Annual General Meeting, subject to ratification of their appointment by Members at every AGM. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7th May, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

Observations of Statutory Auditors on Accounts for the year ended 31st March, 2019

The Auditors Report for the financial year ended 31st March, 2019 does not contain any qualification, adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Auditors have not reported any matter to the Company required to be disclosed under Section 143(12) of the Companies Act, 2013.

Secretarial Audit Report for the year ended 31st March, 2019

The Secretarial Audit Report, pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, was obtained from M/s. Rathi and Associates, Practicing Company Secretaries in Form MR-3 for the financial year 2018-19. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

The said Report is disclosed under **Annexure –VI** and forms part to this report.

Internal Audit and Control

The Company has robust internal audit system for assessment of audit findings and its mitigation. The Internal Audit function covers all the stores, inventory audit, stock takes, audit for project related accounts, corporate accounts etc.

Mr. Rajan Arora was appointed as an Internal Auditor of the Company by the Board at its meeting held on Saturday, 5th May, 2018 and the Internal Auditor directly reports to the Audit Committee for functional matters. The Audit Committee in its quarterly meetings reviews the internal audit and controls reports. Company's internal controls are commensurate with the size and operations of the business. Continuous internal monitoring mechanism ensures timely identification and redressal of issues.

OTHER DISCLOSURES:

Other disclosures as per the provisions of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are furnished as under:

Extract of Annual Return

The extract of annual return in From MGT-9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is disclosed under **Annexure – VII** and forms part to this report and is also available on the website of the Company at www.dmartindia.com.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as required to be furnished as per the provisions of Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo are disclosed under **Annexure –VIII** which forms part of this Report.

Report on Corporate Governance and Management Discussion and Analysis

A separate report on Corporate Governance is provided together with the Certificate from the Practicing Company Secretaries confirming compliance of conditions of Corporate Governance as stipulated under the Listing Regulations. Pursuant to the provisions of Regulation 34 read with Schedule V of the Listing Regulations, a report on Management Discussion & Analysis is attached separately, which forms part of this Annual Report.

Business Responsibility Report

The Company's sustainability initiatives as provided in the Business Responsibility Report are in line with the key principles enunciated in "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" framed by the Ministry of Corporate Affairs. Pursuant to the provisions of Regulation 34 of the Listing Regulations, the said report is attached separately, which forms part of this Annual Report.

Secretarial Standards Compliance

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2018-19, the Company had received 19 complaints on sexual harassment and the same were disposed off in accordance with the Company's policy on prevention, prohibition and redressal of sexual harassment at workplace.

GENERAL

Your 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:

1. Deposits covered under Chapter V of the Companies Act, 2013;
2. 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;
3. Significant or material orders passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future;
4. 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;
5. Receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director or the Whole-time Directors of the Company.
6. Revision of the financial statements pertaining to previous financial periods during the financial year under review.
7. Maintenance of cost records as per sub-section (1) of Section 148 of the Companies Act, 2013.
8. Frauds reported as per Section 143(12) of the Companies Act, 2013.

ACKNOWLEDGEMENTS AND APPRECIATION

Your Board takes this opportunity to thank Company's employees at all levels for their hard work and commitment. Your Board also places on record its sincere appreciation for the continued support received from the customers, members, suppliers, bankers, financial institutions and all other business partners/associates.

For and on behalf of the Board of Directors of
Avenue Supermarts Limited

Ignatius Navil Noronha
Managing Director & CEO
DIN: 01787989

Ramakant Baheti
Whole-time Director & Group CFO
DIN: 00246480

Place: Thane
Date: 11th May, 2019

Registered Office:
Anjaneya CHS Limited, Orchard Avenue,
Opp. Hiranandani Foundation School,
Powai, Mumbai – 400 076
CIN: L51900MH2000PLC126473
Tel No.: 022-40496500
Fax No.: 022-40496503
Email Id: investorrelations@dmartindia.com
Website: www.dmartindia.com

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

I. Objective of the Policy

The purpose of this Policy is to regulate the process of dividend declaration and its pay-out by the Company, which would ensure the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

II. Regulatory Framework

Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires top 500 listed companies based on market capitalisation (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy.

Adhering to best corporate governance practice and to comply with provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when it becomes applicable, Avenue Supermarts Limited frames this policy.

III. Forms of Dividends

Final Dividend

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the general meeting of the Company.

Interim Dividend

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, in line with this policy.

IV. Factors affecting Dividend Declaration

The Dividend pay-out decision of the Company, depends upon certain external and internal factors-

1. Internal factors and financial parameters

The Company's Board of Directors would take into account various internal factors including the financial parameters before declaring or recommending dividend to shareholders, which inter alia will include

a) Magnitude and Stability of Earnings: The extent of stability and magnitude of company's earnings will directly influence the dividend declaration. Thus, the dividend is directly linked with the availability of the earnings (including accumulated earnings) with the Company.

b) Liquidity Position: A company's liquidity position also determines the level of dividend. If a company does not have sufficient cash resources to make dividend payment, then it may reduce the amount of dividend pay-out.

c) Future Requirements: If a company foresees some profitable investment opportunities in near future including but not limited to brand/ business acquisitions, expansion / modernisation of existing businesses, additional investments in subsidiaries/associates of the Company, fresh investments into external businesses, then it may decide for lower dividend payout and vice-versa.

d) Leverage profile and liabilities of the Company

e) Working capital requirements

f) Capital expenditure requirements

g) Cash flow required to meet contingencies

h) Past Dividend Trends

i) Any other factor as deemed fit by the Board.

2. External Factors

Apart from the various internal factors, the Board of Directors of the Company shall take into account various external factors before declaring dividend. These include:

a) Legal/ Statutory Provisions and Regulatory concern: The Board should keep in mind the restrictions imposed by Companies Act, any other applicable laws with regard to declaration and distribution of dividend. Further, any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company may also impact the declaration of dividend.

b) State of Economy: The Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks in case of uncertain or recessionary economic conditions and in situation where the policy decisions of the Government have a bearing on or affect the business of the Company.

c) Taxation Policy: The tax policy of a country also influences the dividend policy of a company. The rate of tax directly influences the amount of profits available to the Company for declaring dividends.

d) Capital Markets: In case of unfavorable market conditions, the Board may resort to a conservative dividend pay-out in order to conserve cash outflows and reduce the cost of raising funds through alternate resources.

e) Dividend pay-out ratios of companies in the same industry.

V. Circumstances under which the shareholders may not expect Dividend

The shareholders of the Company may not expect Dividend under the following circumstances:

a. In the event of inadequacy of profits or whenever the Company has incurred losses;

b. Whenever Company proposes to utilise surplus cash for buy-back of securities;

c. Significantly higher working capital requirements adversely impacting free cash flow;

d. Whenever it undertakes or proposes to undertake a significant expansion of business requiring higher allocation of capital;

e. Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;

f. Operation of any law in force, which restricts payment of dividend in particular circumstances; and

g. Any restrictions and covenants contained in any agreement as may be entered with the lenders.

VI. Retained Earnings

The portions of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. The Company should ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These earnings may be utilised for internal financing of its various activities and for fixed as well as working capital. Thus, the retained earnings shall be utilised for carrying out the main objectives of the Company and maintaining adequate liquidity levels. The decision of utilisation of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan;
- Modernisation plan;
- Diversification of business;
- Long-term strategic plans;
- Replacement of capital assets;
- Where the cost of debt is expensive;
- Other such criteria as the Board may deem fit from time to time.

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year(s) or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

VII. Parameters that shall be adopted with regard to various classes of share

At present, the issued and paid-up share capital of the Company comprises only equity shares; the Company does not have different classes of shares. As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

VIII. Procedure

1. Recommendation of final dividend, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

2. The final dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.

3. Interim dividend, if any, shall be declared by the Board. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

4. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

5. The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to dividend declared by the Company.

IX. Disclosure

The Company shall make appropriate disclosures as required under the SEBI Regulations.

X. Review and Amendment

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective.

This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India (SEBI) or such other regulatory authority as may be authorised, from time to time, on the subject matter.

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

In case of any amendment(s), clarification(s), circular(s) and so on issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) and so on shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), and circular(s), among others.

ANNEXURE II

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

FORM AOC- 1

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

Part "A": Subsidiaries

(₹ in Lakhs)

1	Name of the Subsidiaries	Align Retail Trades Private Limited	Avenue Food Plaza Private Limited	Nahar Seth & Jogani Developers Private Limited	Avenue E-Commerce Limited	Reflect Wholesale and Retail Private Limited
2	Date since when subsidiary was acquired	18.08.2009	18.08.2009	21.02.2014	02.02.2018	28.05.2018
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of the Holding Company	Same as of the Holding Company	Same as of the Holding Company	Same as of the Holding Company	Same as of the Holding Company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	N.A	N.A	N.A	N.A	N.A
5	Share capital	380.00	1.00	10.00	15,948.73	10.00
6	Reserves and Surplus	5,598.35	1,891.21	230.72	(11,200.87)	(0.36)
7	Total Assets	7,918.99	2,119.80	1,084.78	6,792.34	9.79
8	Total Liabilities	1,940.64	227.59	844.06	2,044.46	0.15
9	Investments	Nil	1,333.56	Nil	319.05	Nil
10	Turnover	92,010.55	2,359.61	75.00	14,359.88	Nil
11	Profit/ Loss before taxation	1,558.12	788.40	62.49	(5,082.52)	(0.36)
12	Tax Expense	547.58	221.25	14.54	-	-
13	Profit/ Loss after taxation	1,010.54	567.15	47.95	(5,082.52)	(0.36)
14	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
15	% of shareholding	**100%**	**100%**	**90%**	**99.75%**	**100%**

* Total Liabilities excluding of share capital and Reserves & Surplus

Names of the subsidiaries which are yet to commence operations - Reflect Wholesale and Retail Private Limited

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

Part "B": Associates and Joint Ventures

Note: The Company does not have any Associate / Joint Venture Company as on 31st March, 2019.

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

For and on behalf of the Board of Directors of
Avenue Supermarts Limited

Ignatius Navil Noronha
Managing Director & CEO
DIN: 01787989

Ramakant Baheti
Whole-time Director & Group CFO
DIN: 00246480

Ashu Gupta
Company Secretary
Membership no.: ACS13449

Place: Thane
Date: 11th May, 2019

ANNEXURE III

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

This policy on nomination and payment of remuneration to Directors, Key Managerial Personnel and other employees has been formulated by the Nomination and Remuneration Committee ("the Committee") and approved by the Board of Directors.

OBJECTIVES OF THE POLICY

i. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees;

ii. To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;

iii. To identify the persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;

iv. To guide the Committee on appointment and removal of Director, Key Managerial Personnel and Senior Management Personnel;

v. To devise a policy on diversity of the Board of Directors; and

vi. To assist the Committee on extension/continuation of the term of appointment of the Independent Director, performance evaluation of Independent Directors and Committee reporting to the Board.

This Policy is divided in two parts:

Part A - Policy for appointment of and payment of remuneration to Director, Key Managerial Personnel and other employees.

Part B - Policy on Diversity of Board of Directors of the Company

Effective Date

The policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 25th April, 2014 and as amended from time to time. This policy shall be operational with immediate effect.

Part A - Policy for Appointment of and Payment of Remuneration to Director, Key Managerial Personnel and other employees.

Definitions

- **Board:** Board means Board of Directors of the Company.
- **Director:** Director means Director of the Company appointed in accordance with the Companies Act, 2013.
- **Committee:** Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **Company:** Company means Avenue Supermarts Limited.
- **Independent Director:** As provided under the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), an Independent Director in relation to a Company, means a Director other than a Managing Director or a Whole-time Director or a Nominee Director,—

(a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(b) who is or was not a promoter of the Company or its holding, subsidiary or associate company or member of the Company's promoter group;

(c) who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;

(d) who has or had no pecuniary relationship, apart from receiving Directors remuneration or having transaction not exceeding 10% of his income or such amount as may be prescribed with the Company, its Holding, Subsidiary or Associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(e) None of whose relatives—

i. is holding any security of or interest in the Company of face value exceeding Rs. 50 lakhs or 2% of the paid-up capital of the Company, its its Holding, Subsidiary(ies) or Associate Company(ies) during the two immediately preceding financial years or during the current financial year;

ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, for an amount of Rs. 50 lakhs, at any time during the two immediately preceding financial years or during the current financial year;

iii. has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its Holding, Subsidiary(ies) or Associate Company(ies) or their promoters, or directors of such holding company, for an amount of Rs. 50 lakhs during the two immediately preceding financial years or during the current financial year;

iv. have/ had any pecuniary relationship or transaction with the Company, its Holding, Subsidiary(ies) or Associate Company(ies), or their promoters, or directors, amounting to two per cent or more of the gross turnover or total income of the said company(ies) or Rs. 50 lakhs, whichever is lower,

ANNEXURE III

during the two immediately preceding financial years or during the current financial year; singly or in combination with the transactions referred to above sub-clauses (i), (ii) or (iii).

(f) Who, neither himself nor any of his relatives -

i. holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary(ies) or associate company(ies) in any of the preceding three financial years;

ii. is or has been an employee or proprietor or a partner, in preceding three financial years of—

- a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company(ies); or
- any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

iii. holds together with his relatives two per cent or more of the total voting power of the Company, either individually or together;

iv. occupies post of a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of the promoters, directors or the holding, subsidiary(ies) or associate company(ies) or that holds two per cent or more of the total voting power of the Company;

v. is a material supplier, service provider or customer or a lessor or lessee of the Company.

(g) Who possesses such other qualifications as prescribed under rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014;

(h) who has completed the age of 21 years;

(i) who is not a Non-Independent Director of another Company on the Board of which any Non-Independent Director of the Company is an Independent Director

- **Key Managerial Personnel:** Key Managerial Personnel (KMP) means-

(i) the Chief Executive Officer or the Managing Director or the Manager;

(ii) the Company Secretary;

(iii) the Whole-time Director;

(iv) the Chief Financial Officer; and

(v) such other officer, not more than one level below the directors who is in whole-time employment designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed

- **Senior Management:** The expression Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

- **Other Employees:** The expression shall mean all the permanent employees of the Company excluding the Board of Directors and the Key Managerial Personnel.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel (hereinafter referred to as "KMP")
- Senior Management Personnel and other employees

Constitution of the Nomination and Remuneration Committee

The Board has the power to constitute/ re-constitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the Nomination and Remuneration Committee comprises the following Directors:

Name of the Director	Category	Designation
Mr. Chandrashekhar Bhave	Non-Executive, Independent Director	Chairman
Mr. Ramesh Damani	Non-Executive, Independent Director	Member
Mrs. Manjri Chandak	Non-Executive Director	Member

General Appointment Criteria

i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, Independent Director or KMP and accordingly recommend to the Board his/her appointment.

ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.

ANNEXURE III

iii. The Director/ Independent Director/ KMP shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, and any other enactment for the time being in force which is applicable to the Company.

iv. While evaluating the person for appointment/re-appointment of Senior Management position, the HR Head shall consider individual's background, competency, skills, educational and professional background, age and relevant experience and the same shall be then recommended to the Chief Executive Officer (hereinafter referred to as "CEO") and/or Managing Director of the Company. The CEO and/or the Managing Director of the Company in accordance with the applicable provisions of the Companies Act, 2013 and in accordance with the Company's HR Policy, shall make appointment/ re-appointments of Senior Management Personnel.

Additional Criteria for Appointment of Independent Directors

The Committee shall consider qualifications for Independent Directors as mentioned herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 (as amended from time to time) and applicable regulation of SEBI (LODR) Regulations, 2015 (as amended from time to time).

Term / Tenure

The Term / Tenure of the Directors/ Independent Directors/ KMP shall be determined by the Committee in accordance with the provisions of the Companies Act, 2013 and rules made there under as amended from time to time.

Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Directors and Key Managerial Personnel, Senior Management Personnel and other employees shall retire as per the provisions of the applicable Acts, Rules and Regulations and in accordance with the prevailing HR policy of the Company.

Remuneration

The Committee will recommend the remuneration to be paid to the CEO and/or the Managing Director, Whole-time Director, KMP and other employees as specified in this Policy to the Board for their approval.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be made clear and should meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals:

1. Managing Director/Whole-time Director

i. The overall limits of the remuneration/ compensation/ commission to be paid to the Managing Director/Whole-time Director shall be governed as per provisions of Section 197 of the Companies Act, 2013, rules made there under and Schedule V of the Companies Act, 2013 or any other enactment for the time being in force.

ii. The remuneration shall be divided in fixed and variable components, if any. The fixed component shall comprise salary, perquisites, allowances, amenities; whereas the variable component consists of performance bonus.

iii. The annual increments for the CEO and/or the Managing Director/ Whole-time Director shall be carried out by the Board of Directors on prior recommendations of the Committee.

2. Non-Executive Directors

i. The Non-Executive Directors including Independent Directors shall be paid sitting fees for attending meetings of the Board and the Committee thereof.

ii. The quantum of the sitting fees shall be recommended by the Nomination and Remuneration Committee to the Board for their approval and that the same shall be within maximum limits as provided under the Companies Act, 2013.

iii. The Independent Directors shall be paid Commission within the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

iv. Independent Director shall not be eligible for Stock Options

3. KMP/ Senior Management Personnel/ Other Employees

i. The Remuneration to be paid to KMP shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

ii. The remuneration, performance appraisal and rewards to Senior Management and other employees, shall be in line with the stated objectives.

ANNEXURE III

iii. The Senior Management Personnel and other employees of the Company shall be paid monthly remuneration comprises basic salary, dearness allowance, house rent allowance, ex-gratia, performance bonus, contribution to provident fund and superannuation fund, premium on medical insurance and personal accident insurance, gratuity, leave travel allowance, leave encashment, and so on, as applicable and linked to their grade as per the Company's HR Policy and as approved by the CEO and/or the Managing Director of the Company.

iv. If the remuneration of any other employee is specifically required to be approved by the Committee or Board of Directors under any regulations, then such approval will be accordingly sought.

v. The annual increments for the Key Managerial Personnel/ Senior Management Personnel/Employees one level below the CEO and/or the Managing Director/Whole-time Director/ Manager shall be carried out by the Board of Directors on prior recommendations of the Committee.

vi. The annual increments of other employees shall be linked to their overall performance and as decided by the CEO and/or the Managing Director in consultation with their reporting managers and Human Resources Department.

vii. The KMP, Senior Management Personnel and other employees of the Company may also be eligible for stock options as per the scheme framed/ to be framed by the Company, from time to time.

viii. All the employees of the Company must conduct themselves to ensure that no breach of Code of Conduct, Standard Operating Procedures (SOPs) and all other relevant and applicable Codes are committed. Any such breach will have a direct bearing on their performance appraisal and rewards and shall also attract appropriate disciplinary action.

Annual Evaluation

The annual evaluation of the Directors, Independent Directors and KMP shall be carried out by the Board of Directors of the Company in pursuance of the Annual Performance Evaluation Policy of the Company.

i. The annual increment and performance based bonus is based on criteria of roles and responsibility, the Company's performance with the annual budget achievement, individual performance of the Senior Management Personnel vis-à-vis industry's benchmarks.

ii. The Nomination and Remuneration Committee shall specify the manner for effective evaluation of performance of the Board, its committees and individual Directors to be carried out either by the Board of Directors, by the Committee or by an independent external agency and review its implementation and compliance.

Directors' and Officers' Insurance

Where any insurance is taken by the Company on behalf of its Directors, KMPs and Senior Management Personnel, among others for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel unless otherwise specifically provided under the Act.

Provided where any Director, KMP and SMP are proved to be guilty, then the premium paid on such insurance shall be treated as part of the remuneration.

Part B – Policy On Diversity of Board of Directors of The Company

A. Policy Statement

The Company recognises and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company. Diversity at Board level is an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of varieties of skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when required should be balanced appropriately.

The Company maintains that Board appointments should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience and qualifications, gender, age, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time for it to function effectively. In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed:

I. Optimum Composition

(a) The Board shall have an optimum combination of Executive and Non-Executive Directors and not less than 50% of the Board of Directors comprising Non-Executive Directors;

(b) At least half of the Board should consist of Independent Directors (where the Chairman of the Board is Executive Director) or at least one-third of the Board should comprise Independent Directors (where the Chairman of the Board is Non- Executive Director);

ANNEXURE III

(c) The Company shall continue to have at least one Independent Woman Director on the Board to ensure that there is no gender inequality on the Board.

II. Recommendation

While recommending the appointment of new Directors, the Committee will:

(a) Review Board composition, consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

(b) Identify suitable candidates for appointment to the Board, consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

III. Functional Diversity

(a) Appointment of Directors to the Board of the Company should be based on specific needs and business of the Company. Appointment should be done based on the qualification, knowledge, experience and skill of the proposed appointee which is relevant to the business of the Company;

(b) Knowledge of and experience in domain areas such as finance, legal, risk management, industry, and so on, should be duly considered while making appointments to the Board level;

(c) While appointing Independent Directors, care should be taken as to the independence of the proposed appointee;

(d) Directorships in other companies may also be taken into account while determining the candidature of a person.

REVIEW AND AMENDMENTS

The Committee can amend the policy as and when deemed fit. Any or all provisions of this policy are subject to revision/ amendment in accordance with the rules/ regulations/ notifications etc. as maybe issued by the relevant statutory authorities from time to time.

In case of any amendment(s)/ clarification(s), circular(s) etc. issued by the relevant authorities found inconsistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

ANNEXURE IV

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief Outline of initiatives undertaken in accordance with CSR Policy of the Company

Education is the single most powerful tool to empower an individual and the Company's CSR programmes are primarily in the education sector, where it adopts and supports schools in and around Maharashtra, helping students achieve quality tutoring. The Company started 'School Excellence Programme' as one of the CSR initiatives which consists of education intervention, promoting education and providing educational opportunity to children from socially and economically disadvantaged communities. In the financial year 2018-19, through this initiative, the Company has impacted more than 95,000 students from 296 schools.

Apart from instating adequate infrastructure, the Company has also enhanced its focus in providing in-depth pedagogical intervention to each student. A team of highly motivated programme managers with rich hands-on experience in teaching in schools have brought a new dimension to our programmes. Books provided under Library programme are of multiple publications, accessible by the students. Also, these books are contextualized according to the background of our students. Combining books with differentiated teaching in all libraries and monitoring of teachers on fixed parameters by programme team has led to a definite growth of students going to highest reading fluency levels. We have also started The English for All programme under which each student attends a class of half an hour, five days a week with a specialised English teacher. The curriculum is designed to make learning participative and fun.

Computer Aided Learning Programme focuses on enhancing literacy and numeracy skills from grades 1 to 4 through gamification of concepts of Mathematics and language. Digital Literacy as Life Skill Programme focuses on equipping students from grade 5 to 9 with technical knowledge making them future ready.

To ensure a 360 degree intervention, every stakeholder in the students' education journey is made to involve in the programme. Parents are engaged through Parent Meetings and School Management Committee participation as parents' involvement in the development of their child is crucial. Remedial classes are given free of cost to students who require additional help. Through partnerships with expert NGOs, activity-based learning is also being piloted.

It is fundamentally important that we maintain cleanliness in schools. Healthy environment promotes the growth of children, both physically and mentally. This is the basis of Swachh School Abhiyan which covers more than 40,000 students across the BMC schools. Through awareness activities and provision of basic hygiene infrastructure, inculcating long-term cleanliness habits are inculcated across students and staff.

During the year under review, Educational Support Programme has been extended to two new locations, where the Company's Distribution Centre is located in Maharashtra. Apart from the direct initiatives taken up and monitored by the Company, grants are also given from time to time to organisations.

The CSR Policy of the Company is also available on the Company's website: www.dmartindia.com

2. The composition of the CSR Committee

Sr. No.	Name	Category	Designation
1.	Mr. Chandrashekhar Bhave	Non-Executive & Independent Director	Chairman
2.	Mr. Ramesh Damani	Non-Executive & Independent Director	Member
3.	Mrs. Manjri Chandak	Non-Executive Director	Member
4.	Mr. Ramakant Baheti	Executive Director	Member

3. Average Net Profit of the Company for last three financial years: ₹ 819.91 crore

4. Prescribed CSR Expenditure (two percent of the amount as per item 3 above): ₹ 16.40 crore

5. Details of CSR spent during the financial year:

(a) Total amount to be spent/spent for the financial year: ₹ 16.55 crore

(b) Amount unspent if any: Nil

ANNEXURE IV

(c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or activity Identify	Sector in which the project is covered	Projects or Programs 1. Local Area or Other 2. Specify the state and district where projects or program was undertaken	*Amount outlay (budget) Project or Programme-wise (₹ in crore) for the year	Direct expenditure on projects or programme (₹ in Crore)	**Cumulative expenditure upto to the reporting period (₹ in crore)	Amount spent direct or through implementing agency)
1	Infrastructural Interventions (i) BALA paintings & Color Wash	Education	Mumbai, Maharashtra	0.50	0.50	1.40	Direct
	(ii) Z.P. Schools Vadgaon	Education	Kolhapur, Maharashtra	0.15	0.15	0.15	Direct
2	Life Skill Interventions (i) Computer aided learning & Computer Skills.	Education	Mumbai, Maharashtra	4.05	4.05	9.47	Direct
	(ii) Language enhancement skills	Education	Mumbai, Maharashtra	0.49	0.49	0.60	Direct
3	Pedagogical Interventions (i) Remedial Classes	Education	Mumbai, Maharashtra	1.11	1.11	1.66	Direct
	(ii) Activity Based Learning	Education	Mumbai, Maharashtra	0.11	0.11	0.41	Direct
	(iii) Science Labs	Education	Mumbai, Maharashtra	0.08	0.08	0.26	Direct
	(iv) Library & Resource Room	Education	Mumbai, Maharashtra	1.08	1.08	2.18	Direct
	(v) Programme Managers & Programme Associates -Programme Design, Implement and Monitor	Education	Mumbai, Maharshtra	0.56	0.56	1.27	Direct
4	Sports Infra and development intervention (i) Sports Fixtures	Education	Mumbai, Maharashtra	0.01	0.01	0.08	Direct
5	PPP Model TMC Secondary English School	Education	Thane, Maharashtra	0.31	0.31	0.89	Direct
6	Swachh School Abhiyan	Education	Mumbai, Maharashtra	0.12	0.12	0.26	Direct
7	Career Counseling, Parents meetings, and Community building activities (i) Parent Meetings & Community Building Activities	Education	Mumbai, Maharashtra	0.04	0.04	0.14	Direct
8	Hearing Aids	Health	Mumbai, Maharashtra	0.05	0.05	0.10	Implementing Agency
9	Tandurust Bharat Foundation Water Bottle Project for Police Department	Health	Mumbai, Maharashtra	0.16	0.16	0.16	Implementing Agency
10	International Foundation for Education & Research (Ashoka University)	Education	Haryana	4.50	4.50	9.65	Implementing Agency
11	Seva Mandir (Kaya Learning Centre)	Education	Udaipur, Rajasthan	0.03	0.03	0.26	Implementing Agency
12	Roti Bank Foundation Van Donation	Health	Mumbai, Maharashtra	0.05	0.05	0.05	Implementing Agency
13	Foundation For Promotion Of Sports OGQ	Sports	All India	0.50	0.50	0.50	Implementing Agency
14	Sewing Machine Project	Livelihood	Bangaluru Karnataka	0.15	0.15	0.15	Implementing Agency

ANNEXURE IV

Sr. No.	CSR Project or activity Identify	Sector in which the project is covered	Projects or Programs 1. Local Area or Other 2. Specify the state and district where projects or program was undertaken	*Amount outlay (budget) Project or Programme-wise (₹ in crore) for the year	Direct expenditure on projects or programme (₹ in Crore)	**Cumulative expenditure upto to the reporting period (₹ in crore)	Amount spent direct or through implementing agency)
15	Skill Development Programme	Livelihood	All India	2.06	2.06	2.06	Implementing Agency
16	Skill Development Programme Yuva Parivartan	Livelihood	Raigad, Panvel, Maharashtra	0.12	0.12	0.12	Direct
17	Direct Admin Expenses			0.32	0.32	0.32	Direct
18	Miscellaneous Expenses	Education	Mumbai, Maharashtra	0.03	0.03	0.17	Direct
Total				**16.55**	**16.55**		

Notes:

* The Company obtains approval of the Board of Directors for the total amount outlay of prescribed CSR expenditure (2% of average net profit of last three financial year) and not of the project/programme-wise expenditure.

** Cumulative expenditure of last three financial years is provided for the activities which are carried out in the current financial year.

6. In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: Not Applicable

We hereby state that implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors of
Avenue Supermarts Limited

Ignatius Navil Noronha
Managing Director & CEO
DIN: 01787989

Chandrashekhar Bhave
Chairman of CSR Committee
DIN: 00059856

Place: Thane
Date: 11th May, 2019

ANNEXURE V

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

Ratio of Remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2018-19 is as follows.

Name of Director	Remuneration (₹)	Sitting Fees (₹)	Commission (₹)	Ratio of remuneration of Director to the Median remuneration
Mr. Ramesh Damani	-	650,000	2,000,000	11.08
Mr. Chandrashekhar Bhave	-	630,000	2,000,000	10.99
Ms. Kalpana Unadkat (w.e.f. 30.07.2018)	-	310,000	1,333,333	6.87
Mrs. Manjri Chandak	-	620,000	-	2.59
Mr. Ignatius Navil Noronha	45,517,836	-	-	190.26
Mr. Ramakant Baheti	10,410,960	-	-	43.52
Mr. Elvin Machado	7,252,548	-	-	30.32

Notes:

1. Remuneration comprises salary, allowances, Company's contribution to provident fund and taxable value of perquisites.
2. The median remuneration of the Company for all its employees is ₹ 2,39,239/- for the financial year 2018-19. For calculation of median remuneration, the employee count taken is 5,719 which comprises employees who have served for whole of the financial year 2018-19.
3. The percentage increase in the median remuneration of employees other than managerial personnel in the financial year 2018-19 was 11.33%.
4. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 11.17% whereas the increase in the managerial remuneration was 2.18%. The increases in remuneration are as per the policy of the Company.

Details of percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2018-19 are as follows:

Name	Designation	Gross Remuneration (₹)						Fix Increase/ (Decrease) (%)	Variable Increase/ (Decrease) (%)
		2017-18			2018-19				
		Fix	Variable	Total	Fix	Variable	Total		
Mr. Ramesh Damani	Independent Director	508,000	2,000,000	2,508,000	650,000	2,000,000	2,650,000	27.95	-
Mr. Chandrashekhar Bhave	Independent Director	508,000	2,000,000	2,508,000	630,000	2,000,000	2,630,000	24.02	-
Ms. Kalpana Unadkat (w.e.f. 30.07.2018)	Independent Director	0	0	0	310,000	1,333,333	1,643,333	NA	NA
Mrs. Manjri Chandak	Non- Executive Director	526,500	-	526,500	620,000	-	620,000	17.76	-
Mr. Ignatius Navil Noronha	Managing Director & CEO	45,599,859	-	45,599,859	45,517,836	-	45,517,836	-0.18	-
Mr. Ramakant Baheti	Whole-time Director & Group CFO	10,410,960	-	10,410,960	10,410,960	-	10,410,960	-	-
Mr. Elvin Machado	Whole-time Director	5,672,124	1,200,000	6,872,124	6,052,548	1,200,000	7,252,548	6.71	-
Mr. Niladri Deb (w.e.f. 07.05.2018)	Chief Financial Officer	0	0	0	10,968,755	0	10,968,755	NA	NA
Mrs. Ashu Gupta	Company Secretary & Compliance Officer	2,604,096	-	2,604,096	3,241,080	600,000	3,841,080	24.46	-

Notes:

1. There was no employee whose remuneration was in excess of the remuneration of the highest paid Director during the financial year.
2. The number of permanent employees on the rolls of Company as on 31st March, 2019 was 7,713.
3. The remuneration is as per the Nomination and Remuneration Policy of the Company.

ANNEXURE VI

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]
For the Financial Year Ended 31st March, 2019

To,
The Members,
Avenue Supermarts Limited
Anjaneya CHS limited, Orchard Avenue,
Opp. Hiranandani Foundation School,
Powai, Mumbai – 400 076.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Avenue Supermarts Limited (hereinafter called "the Company"). The 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, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2019, 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, however, subject to verification / perusal of documents as given in Annexure 1.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Avenue Supermarts Limited ("the Company") as given in Annexure – A for the financial year ended 31st March, 2019, according to the provisions of:

    (i) The Companies Act, 2013 ('the Act') and the rules made thereunder to the extent applicable;

    (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

    (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

    (iv) Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under were not applicable to the Company under the financial year under report.

    (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

        a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

        b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

        c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

        d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

        e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the audit period under report:-

    a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

    b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

    c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

    d. 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;

3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following laws specifically applicable to the Company:.

    a. Shops & Establishment Act and Rules

    b. Legal Metrology Act, 2009

ANNEXURE VI

c. Food Safety and Standards Act, 2006

d. Prevention of Food and Adulteration Act, 1945

e. Standards of Weights and Measures Act, 1985

f. Local/ Municipality Laws

We have also examined compliance with the applicable clauses of Secretarial Standards-1 and 2 issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013 and during the financial year under report, the Company has 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 Directors, Non-Executive Directors and Independent 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, 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.

None of the members had any dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

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 year under report, the Company has obtained shareholders' approval to offer/ issue secured, rated, cumulative, redeemable non-convertible debentures up to an amount not exceeding ₹ 15,00,00,00,000/- (Rupees One Thousand and Five Hundred Crore Only) by way of special Resolution in the Eighteenth Annual General Meeting of the Company held on 28th August, 2018.

For and on behalf of

Rathi & Associates
Company Secretaries

Himanshu S. Kamdar
Partner
FCS No.: 5171
CP No.: 3030

Date: 10th May, 2019
Place: Mumbai

ANNEXURE-A

List of documents verified

1. Memorandum & Articles of Association of the Company;

2. Annual Report for the financial year ended 31st March, 2018;

3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, ESOP Committee and Operations Committee held during the said audit period along with Attendance Register;

4. Minutes of Annual General Meeting and Postal Ballot held during the financial year under report;

5. Statutory Registers which are required to be maintained under the Companies Act, 2013

6. Agenda papers submitted to all the Directors/members for the Board meeting and the Committee Meetings;

7. Declarations/ Disclosures received from the Directors/Secretary of the Company pursuant to the provisions of 184, 164 and 149(7) of the Companies Act, 2013;

8. Intimations received from Directors and Designated Employees under the Internal Code for Prevention of Insider Trading;

9. e-Forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.

10. Intimations/documents/reports/returns filed with the Stock Exchanges pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during year under report.

11. Various Policies made under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. Circular resolutions passed by the members of Stakeholders' Relationship Committee during the said audit period under review.

ANNEXURE VII

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

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

I. REGISTRATION AND OTHER DETAILS

CIN	L51900MH2000PLC126473
Registration Date	12th May, 2000
Name of the Company	Avenue Supermarts Limited
Category/ Sub-Category of the Company	Company Limited by shares/ Indian Non-Government Company
Address of the Registered office and contact details	Anjaneya CHS Ltd, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076 Tel No.: +91-22-4049 6500 Fax No.: +91-22-4069 6503
Whether listed company	Yes (w.e f. 21st March, 2017)
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Pvt. Ltd. C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India Tel No.: +91-22-4918 6270 Fax No.: +91-22-4918 6060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company is as stated:

Sr. No.	Name and Description of Main Products/Services	NIC Code of the Product/service	% to Total Turnover of the Company
1.	Retail Trade	47 (Retail Trade, except of motor vehicles and motorcycles)	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/ GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1.	Align Retail Trades Pvt. Ltd. Plot No. C-40, TTC Industrial Area, Village Pawane, Thane Belapur Road, Navi Mumbai - 400 705	U52190MH2006PTC164826	Wholly-owned Subsidiary	100%	2(87) of the Companies Act, 2013
2.	Avenue Food Plaza Pvt. Ltd. Anjaneya CHS Ltd, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076	U55200MH2004PTC146827	Wholly-owned Subsidiary	100%	2(87) of the Companies Act, 2013
3.	Reflect Wholesale and Retail Private Limited Anjaneya CHS Ltd, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076	U51909MH2018PTC309999	Wholly-owned Subsidiary	100%	2(87) of the Companies Act, 2013
4.	Nahar Seth & Jogani Developers Pvt. Ltd. 903, Dalamal House, 206, J.B.Marg, Nariman Point, Mumbai-400 021	U45201MH2014PTC253497	Subsidiary	90%	2(87) of the Companies Act, 2013
5.	Avenue E-Commerce Ltd. Anjaneya CHS Ltd, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076	U74120MH2014PLC259234	Subsidiary	99.75%	2(87) of the Companies Act, 2013

ANNEXURE VII

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF									
Promoters	334,160,000	-	334,160,000	53.54	327,919,156	-	327,919,156	52.54	(1.00)
Promoters Group	110,000	-	110,000	0.02	108,000	-	108,000	0.02	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	88,750,000		88,750,000	14.22	88,750,000		88,750,000	14.22	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other (Trust)	90,000,000	-	90,000,000	14.42	90,000,000	-	90,000,000	14.42	-
Sub-total(A)(1):	**513,020,000**	**-**	**513,020,000**	**82.20**	**506,777,156**	**-**	**506,777,156**	**81.20**	**(1.00)**
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**513,020,000**	**-**	**513,020,000**	**82.20**	**506,777,156**	**-**	**506,777,156**	**81.20**	**(1.00)**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	20,965,301	-	20,965,301	3.36	18,359,822	-	18,359,822	2.94	(0.42)
b) Banks/FI	111,472	-	111,472	0.02	229,494	-	229,494	0.04	0.02
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/Foreign portfolio investor	23,409,047	-	23,409,047	3.75	36,868,811	-	36,868,811	5.91	2.16
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)									
Alternate Investment Funds	810,824	-	810,824	0.13	1,410,790	-	1,410,790	0.23	0.10
Sub-total (B)(1):	**45,296,644**	**-**	**45,296,644**	**7.26**	**56,868,917**	**-**	**56,868,917**	**9.11**	**1.85**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	3,041,217	100,000	3,141,217	0.50	2,571,097	-	2,571,097	0.41	(0.09)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	13,870,844	1,401,784	15,272,628	2.45	16,212,331	243,056	16,455,387	2.64	0.19
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	24,469,338	21,006,090	45,475,428	7.29	26,542,513	13,123,450	39,665,963	6.36	(0.93)
c) Others (specify)									
Trust	31,686	-	31,686	0.01	25,227	-	25,227	0.00	(0.01)
NBFCs registered with RBI	-	-	-	-	19,394	-	19,394	0.00	-
Hindu Undivided Family	786,065	10,000	796,065	0.13	731,055	10,000	741,055	0.12	(0.01)
Non Resident Indians (Non Repat)	162,950	-	162,950	0.03	247,073	-	247,073	0.04	0.01
Non Resident Indians (Repat)	346,917	-	346,917	0.06	332,989	-	332,989	0.05	(0.01)
Foreign Portfolio Investor (Individual)	83	-	83	0.00	102	-	102	0.00	-
Clearing Member	540,868	-	540,868	0.09	380,126	-	380,126	0.06	(0.03)
Sub-total(B)(2):	**43,249,968**	**22,517,874**	**65,767,842**	**10.54**	**47,061,907**	**13,376,506**	**60,438,413**	**9.68**	**(0.85)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**88,546,612**	**22,517,874**	**111,064,486**	**17.80**	**103,930,824**	**13,376,506**	**117,307,330**	**18.8**	**1.00**
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	**601,566,612**	**22,517,874**	**624,084,486**	**100.00**	**610,707,980**	**13,376,506**	**624,084,486**	**100.00**	**-**

ANNEXURE VII

ii. Shareholding of Promoters and Promoters Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% change inshareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Mr. Radhakishan S. Damani	245,930,000	39.41	-	239,689,156	38.41	-	(1.00)
2.	Mr. Gopikishan S. Damani	50,980,000	8.17	-	50,980,000	8.17	-	-
3.	Mrs. Shrikantadevi R. Damani	22,250,000	3.57	-	22,250,000	3.57	-	-
4.	Mrs. Kirandevi G. Damani	15,000,000	2.40	-	15,000,000	2.40	-	-
5.	Bright Star Investments Pvt. Ltd.	88,750,000	14.22	-	88,750,000	14.22	-	-
6.	Mr. Radhakishan S. Damani and Mrs. Shrikantadevi Damani (Holding shares on behalf of Royal Palm Pvt Beneficiary Trust)	18,000,000	2.88	-	18,000,000	2.88	-	-
7.	Mr. Radhakishan S. Damani and Mrs. Shrikantadevi Damani (Holding shares on behalf of Bottle Palm Pvt Beneficiary Trust)	18,000,000	2.88	-	18,000,000	2.88	-	-
8.	Mr. Radhakishan S. Damani and Mrs. Shrikantadevi Damani (Holding shares on behalf of Mountain Glory Private Beneficiary Trust)	18,000,000	2.88	-	18,000,000	2.88	-	-
9.	Mr.Gopikishan S. Damani and Mr.Radhakishan S. Damani (Holding shares on behalf of Gulmohar Private Beneficiary Trust)	18,000,000	2.88	-	18,000,000	2.88	-	-
10.	Mr. Gopikishan S. Damani and Mr. Radhakishan S. Damani (Holding shares on behalf of Karnikar Pvt Beneficiary Trust)	18,000,000	2.88	-	18,000,000	2.88	-	-
11.	Mrs. Rukmanidevi Mohanlal Bagri (Promoter Group)	100,000	0.02	-	100,000	0.02	-	-
12.	Mrs. Chanda Chandak (Promoter Group)	10,000	0.00	-	8,000	0.00	-	-
	Total	**513,020,000**	**82.20**	**-**	**506,777,156**	**81.20**	**-**	**(1.00)**

iii. Change in Promoter and Promoter group Shareholding

Sr. No	Name of the Promoters	Shareholding at the beginning of the year (01.04.2018)		Date	Net Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Radhakishan S. Damani	245,930,000	39.41	21-May-18	(356,000)	Market	245,574,000	39.35
				22-May-18	(375,000)	Sale	245,199,000	39.29
				23-May-18	(412,000)		244,787,000	39.22
				24-May-18	(5,097,844)		239,689,156	38.41
2	Mr. Gopikishan S. Damani	50,980,000	8.17				50,980,000	8.17
3	Mrs. Shrikantadevi R. Damani	22,250,000	3.57				22,250,000	3.57
4	Mrs.Kirandevi G. Damani	15,000,000	2.40				15,000,000	2.40
5	Bright Star Investments Pvt. Ltd.	88,750,000	14.22				88,750,000	14.22
6	Mr. Radhakishan S. Damani And Mrs. Shrikantadevi Damani (Holding shares on behalf of Royal Palm Pvt. Beneficiary Trust)	18,000,000	2.88				18,000,000	2.88
7	Mr. Radhakishan S. Damani And Mrs. Shrikantadevi Damani (Holding shares on behalf of Bottle Palm Pvt Beneficiary Trust)	18,000,000	2.88				18,000,000	2.88

ANNEXURE VII

Sr. No	Name of the Promoters	Shareholding at the beginning of the year (01.04.2018)		Date	Net Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
8	Mr. Radhakishan S. Damani And Mrs. Shrikantadevi Damani (Holding shares on behalf of Mountain Glory Private Beneficiary Trust)	18,000,000	2.88				18,000,000	2.88
9	Mr.Gopikishan S. Damani And Mr. Radhakishan S. Damani (Holding shares on behalf of Gulmohar Private Beneficiary Trust)	18,000,000	2.88				18,000,000	2.88
10	Mr. Gopikishan S. Damani And Mr. Radhakishan S. Damani (Holding shares on behalf of Karnikar Pvt. Beneficiary Trust)	18,000,000	2.88				18,000,000	2.88
11	Mrs. Rukmanidevi Mohanlal Bagri (Promoter Group)	100,000	0.02				100,000	0.02
12	Mrs. Chanda Chandak (Promoter Group)	10,000	0.00	18-May-18	(2,000)	Market Sale	8,000	0

iv. Shareholding Pattern of Top Ten Shareholders (other than Directors, promoters and holders of GDRs and ADRs)

Sr. No	Name of the Top Ten Shareholders	Shareholding at the beginning of the year (01.04.2018)		Date	Net Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	7,378,097	1.18	06-Apr-18	(132,682)	Market Purchase and Sale	7,245,415	1.16
				13-Apr-18	(219,058)		7,026,357	1.13
				20-Apr-18	(109,233)		6,917,124	1.11
				27-Apr-18	(155,881)		6,761,243	1.08
				4-May-18	(2,820)		6,758,423	1.08
				11-May-18	30,000		6,788,423	1.09
				18-May-18	(580,000)		6,208,423	0.99
				1-Jun-18	1,228,083		7,436,506	1.19
				8-Jun-18	19,313		7,455,819	1.19
				15-Jun-18	(251,036)		7,204,783	1.15
				22-Jun-18	(13,266)		7,191,517	1.15
				6-Jul-18	(154,476)		7,037,041	1.13
				13-Jul-18	(100,000)		6,937,041	1.11
				27-Jul-18	2,238		6,939,279	1.11
				3-Aug-18	20,000		6,959,279	1.12
				10-Aug-18	(2,000)		6,957,279	1.11
				17-Aug-18	30,000		6,987,279	1.12
				24-Aug-18	128,447		7,115,726	1.14
				31-Aug-18	400,447		7,516,173	1.20
				7-Sep-18	235,000		7,751,173	1.24
				14-Sep-18	78,480		7,829,653	1.25
				21-Sep-18	137,864		7,967,517	1.28
				29-Sep-18	180,136		8,147,653	1.31
				5-Oct-18	30,000		8,177,653	1.31
				12-Oct-18	506,534		8,684,187	1.39
				19-Oct-18	92,900		8,777,087	1.41
				26-Oct-18	130,500		8,907,587	1.43
				2-Nov-18	394,989		9,302,576	1.49
				9-Nov-18	500,010		9,802,586	1.57
				16-Nov-18	138,000		9,940,586	1.59
				23-Nov-18	40,000		9,980,586	1.60

ANNEXURE VII

Sr. No	Name of the Top Ten Shareholders	Shareholding at the beginning of the year (01.04.2018) No. of shares	Shareholding at the beginning of the year (01.04.2018) % of total shares of the Company	Date	Net Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) No. of shares	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) % of total shares of the Company
				30-Nov-18	71,000	Market Purchase and Sale	10,051,586	1.61
				7-Dec-18	42,707		10,094,293	1.62
				14-Dec-18	6,476		10,100,769	1.62
				21-Dec-18	21,098		10,121,867	1.62
				28-Dec-18	95,170		10,217,037	1.64
				4-Jan-19	88,665		10,305,702	1.65
				11-Jan-19	(15,000)		10,290,702	1.65
				18-Jan-19	35,287		10,325,989	1.65
				25-Jan-19	153,129		10,479,118	1.68
				1-Feb-19	(131,287)		10,347,831	1.66
				8-Feb-19	633,499		10,981,330	1.76
				15-Feb-19	52,505		11,033,835	1.77
				22-Feb-19	602,298		11,636,133	1.86
				1-Mar-19	280,000		11,916,133	1.91
				8-Mar-19	30,000		11,946,133	1.91
				15-Mar-19	401,526		12,347,659	1.98
				22-Mar-19	64,404		12,412,063	1.99
				29-Mar-19	119,000		12,531,063	2.01
2	Nomura India Investment Fund Mother Fund	5,695,871	0.91	20-Apr-18	(38,634)	Market Sale	5,657,237	0.91
				4-May-18	(75,795)		5,581,442	0.89
				18-May-18	(421,019)		5,160,423	0.83
				1-Jun-18	(1,249,917)		3,910,506	0.63
				6-Jul-18	(400,000)		3,510,506	0.56
				13-Jul-18	(200,000)		3,310,506	0.53
				14-Sep-18	(97,561)		3,212,945	0.51
				12-Oct-18	(92,106)		3,120,839	0.50
				1-Feb-19	(111,797)		3,009,042	0.48
				8-Feb-19	(138,203)		2,870,839	0.46
				22-Feb-19	(175,000)		2,695,839	0.43
				8-Mar-19	(125,000)		2,570,839	0.41
				15-Mar-19	(125,000)		2,445,839	0.39
3	ICICI Prudential Bluechip Fund	2,712,704	0.43	6-Apr-18	59,989	Market Purchase and Sale	2,772,693	0.44
				13-Apr-18	(3,524)		2,769,169	0.44
				20-Apr-18	(110,910)		2,658,259	0.43
				27-Apr-18	(167,099)		2,491,160	0.40
				4-May-18	(158,453)		2,332,707	0.37
				11-May-18	(98,985)		2,233,722	0.36
				18-May-18	34		2,233,756	0.36
				25-May-18	658		2,234,414	0.36
				1-Jun-18	(10,008)		2,224,406	0.36
				8-Jun-18	1,133		2,225,539	0.36
				15-Jun-18	248		2,225,787	0.36
				22-Jun-18	4,326		2,230,113	0.36
				30-Jun-18	(3,813)		2,226,300	0.36
				6-Jul-18	12,301		2,238,601	0.36
				13-Jul-18	(213,143)		2,025,458	0.32
				20-Jul-18	450		2,025,908	0.32
				27-Jul-18	340		2,026,248	0.32
				3-Aug-18	(13,029)		2,013,219	0.32

ANNEXURE VII

Sr. No	Name of the Top Ten Shareholders	Shareholding at the beginning of the year (01.04.2018) No. of shares	Shareholding at the beginning of the year (01.04.2018) % of total shares of the Company	Date	Net Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) No. of shares	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) % of total shares of the Company
				10-Aug-18	35		2,013,254	0.32
				17-Aug-18	(269)		2,012,985	0.32
				24-Aug-18	1,020		2,014,005	0.32
				31-Aug-18	2,089		2,016,094	0.32
				7-Sep-18	(37,780)		1,978,314	0.32
				14-Sep-18	(212)		1,978,102	0.32
				21-Sep-18	353		1,978,455	0.32
				29-Sep-18	1,368		1,979,823	0.32
				5-Oct-18	3,927		1,983,750	0.32
				12-Oct-18	(66,650)		1,917,100	0.31
				19-Oct-18	58,573		1,975,673	0.32
				26-Oct-18	525		1,976,198	0.32
				2-Nov-18	1,229		1,977,427	0.32
				9-Nov-18	424		1,977,851	0.32
				16-Nov-18	785		1,978,636	0.32
				23-Nov-18	333		1,978,969	0.32
				30-Nov-18	949		1,979,918	0.32
				7-Dec-18	409		1,980,327	0.32
				14-Dec-18	31,273		2,011,600	0.32
				21-Dec-18	324		2,011,924	0.32
				28-Dec-18	(2,341)		2,009,583	0.32
				4-Jan-19	200		2,009,783	0.32
				11-Jan-19	722		2,010,505	0.32
				18-Jan-19	1,569		2,012,074	0.32
				25-Jan-19	3,387		2,015,461	0.32
				1-Feb-19	88,745		2,104,206	0.34
				8-Feb-19	506		2,104,712	0.34
				15-Feb-19	(100,388)		2,004,324	0.32
				22-Feb-19	1,399		2,005,723	0.32
				1-Mar-19	732		2,006,455	0.32
				8-Mar-19	400		2,006,855	0.32
				15-Mar-19	686		2,007,541	0.32
				22-Mar-19	(74,905)		1,932,636	0.31
				29-Mar-19	(45,551)		1,887,085	0.30
4	Vanguard Total International Stock Index Fund	905159	0.15	6-Jul-18	30,327	Market Purchase	935,486	0.15
				7-Sep-18	27,404		962,890	0.15
				19-Oct-18	26,985		989,875	0.16
				14-Dec-18	36,223		1,026,098	0.16
				21-Dec-18	35,530		1,061,628	0.17
				28-Dec-18	713,143		1,774,771	0.28
				25-Jan-19	19,339		1,794,110	0.29
				1-Feb-19	7,089		1,801,199	0.29
				29-Mar-19	22,002		1,823,201	0.29
5	Robeco Capital Growth Funds	0	0.00	4-May-18	1,000,000	Market Purchase	1,000,000	0.16
				11-May-18	21,562		1,021,562	0.16
				18-May-18	228,438		1,250,000	0.20
				8-Jun-18	250,000		1,500,000	0.24
				5-Oct-18	1,948		1,501,948	0.24
				26-Oct-18	224,593		1,726,541	0.28
				2-Nov-18	75,407		1,801,948	0.29

ANNEXURE VII

Sr. No	Name of the Top Ten Shareholders	Shareholding at the beginning of the year (01.04.2018) No. of shares	Shareholding at the beginning of the year (01.04.2018) % of total shares of the Company	Date	Net Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) No. of shares	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) % of total shares of the Company
6	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	941,397	0.15	4-May-18	(1,900)	Market Purchase and Sale	939,497	0.15
				11-May-18	(1,805)		937,692	0.15
				1-Jun-18	(1,425)		936,267	0.15
				15-Jun-18	(1,425)		934,842	0.15
				22-Jun-18	(3,731)		931,111	0.15
				30-Jun-18	(6,006)		925,105	0.15
				6-Jul-18	(2,457)		922,648	0.15
				13-Jul-18	(3,913)		918,735	0.15
				16-Nov-18	1,350		920,085	0.15
				23-Nov-18	3,510		923,595	0.15
				7-Dec-18	1,710		925,305	0.15
				21-Dec-18	4,860		930,165	0.15
				28-Dec-18	777,504		1,707,669	0.27
				1-Feb-19	10,150		1,717,819	0.28
				8-Feb-19	32,374		1,750,193	0.28
				15-Feb-19	1		1,750,194	0.28
				29-Mar-19	27,204		1,777,398	0.28
7	Universities Superannuation Scheme Limited (USSL) As Trustee Of Universities Superannuation Scheme	0	0.00	6-Jul-18	268,000	Market Purchase	268,000	0.04
				13-Jul-18	799,000		1,067,000	0.17
				27-Jul-18	200,000		1,267,000	0.20
				12-Oct-18	150,000		1,417,000	0.23
8	Ishares India Index Mauritius Company	0	0.00	8-Jun-18	1,336,863	Market Purchase and Sale	1,336,863	0.21
				15-Jun-18	(1,832)		1,335,031	0.21
				22-Jun-18	(4,971)		1,330,060	0.21
				30-Jun-18	(9,160)		1,320,900	0.21
				6-Jul-18	(2,748)		1,318,152	0.21
				27-Jul-18	5,467		1,323,619	0.21
				31-Aug-18	(9,639)		1,313,980	0.21
				7-Sep-18	(22,636)		1,291,344	0.21
				14-Sep-18	2,724		1,294,068	0.21
				21-Sep-18	10,523		1,304,591	0.21
				12-Oct-18	(14,528)		1,290,063	0.21
				19-Oct-18	3,388		1,293,451	0.21
				26-Oct-18	1,542		1,294,993	0.21
				2-Nov-18	50		1,295,043	0.21
				16-Nov-18	2,305		1,297,348	0.21
				7-Dec-18	(1,224)		1,296,124	0.21
				28-Dec-18	4,570		1,300,694	0.21
				31-Dec-18	2,292		1,302,986	0.21
				25-Jan-19	(1,823)		1,301,163	0.21
				1-Mar-19	(9,964)		1,291,199	0.21
				8-Mar-19	2,724		1,293,923	0.21
				22-Mar-19	4,086		1,298,009	0.21
				29-Mar-19	(1,162)		1,296,847	0.21

ANNEXURE VII

Sr. No	Name of the Top Ten Shareholders	Shareholding at the beginning of the year (01.04.2018) No. of shares	Shareholding at the beginning of the year (01.04.2018) % of total shares of the Company	Date	Net Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) No. of shares	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) % of total shares of the Company
9	DSP Equity & Bond Fund	1,247,043	0.20	18-May-18	(18,314)	Market Purchase and Sale	1,228,729	0.20
				25-May-18	(27,947)		1,200,782	0.19
				15-Jun-18	(16,160)		1,184,622	0.19
				20-Jul-18	(14,918)		1,169,704	0.19
				12-Oct-18	6,553		1,176,257	0.19
				19-Oct-18	193,299		1,369,556	0.22
				26-Oct-18	140,412		1,509,968	0.24
				2-Nov-18	(10,307)		1,499,661	0.24
				23-Nov-18	25,277		1,524,938	0.24
				30-Nov-18	88,809		1,613,747	0.26
				21-Dec-18	(62,840)		1,550,907	0.25
				28-Dec-18	(70,634)		1,480,273	0.24
				4-Jan-19	(42,453)		1,437,820	0.23
				1-Mar-19	2,878		1,440,698	0.23
				8-Mar-19	(11)		1,440,687	0.23
				15-Mar-19	(85,951)		1,354,736	0.22
				22-Mar-19	13,813		1,368,549	0.22
				29-Mar-19	(93,484)		1,275,065	0.20
10	Valiant Mauritius Partners Offshore Limited	1,732,280	0.28	4-May-18	(23,315)	Market Purchase and Sale	1,708,965	0.27
				11-May-18	(41,494)		1,667,471	0.27
				18-May-18	(244,681)		1,422,790	0.23
				27-Jul-18	(128,769)		1,294,021	0.21
				10-Aug-18	(75,005)		1,219,016	0.20
				17-Aug-18	(54,926)		1,164,090	0.19
				29-Sep-18	(41,101)		1,122,989	0.18
				5-Oct-18	(11,396)		1,111,593	0.18
				12-Oct-18	(64,438)		1,047,155	0.17
				19-Oct-18	(54,865)		992,290	0.16
				8-Feb-19	47,347		1,039,637	0.17

Note: Increase/decrease in shareholding, as indicated above, is based on beneficial ownership provided by the Depositories.

ANNEXURE VII

v. Shareholding of Directors and Key Managerial Personnel

Sr. No	Name of the Directors and KMP	Shareholding at the beginning of the year (01.04.2018)		Date	Net Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Ramesh S. Damani	100,000	0.02	-	-	No change	100,000	0.02
2	Mr. Chandrashekhar Bhave	0	0	-	-	No change	0	0
3	Ms. Kalpana Unadkat (w.e.f. 30.07.2018)	0	0	-	-	No change	0	0
4	Mrs. Manjri Chandak	0	0	-	-	No change	0	0
5	Mr. Ignatius Navil Noronha	13,700,000	2.19	28-Feb-19	(175,000)	Gift	13,525,000	2.17
				01-Mar-19	(25,000)		13,500,000	2.16
6	Mr. Ramakant Baheti	3,175,000	0.50	9-May-18	(50,000)	Market Sale	3,125,000	0.50
				31-May-18	(25,000)		3,100,000	0.50
				12-Dec-18	(5,000)		3,095,000	0.50
				13-Dec-18	(10,000)		3,085,000	0.49
				14-Dec-18	(85,000)		3,000,000	0.48
				13-Mar-19	(12,058)		2,987,942	0.48
				14-Mar-19	(12,942)		2,975,000	0.48
7	Mr. Elvin Machado	411,400	0.06	07-Jun-18	(11,000)	Market Sale	400,400	0.06
				29-Nov-18	(1,809)		398,591	0.06
				30-Nov-18	(5,000)		393,591	0.06
				05-Dec-18	(5,000)		388,591	0.06
				06-Dec-18	(3,191)		385,400	0.06
				07-Dec-18	(1,999)		383,401	0.06
				10-Dec-18	(251)		383,150	0.06
				11-Dec-18	(5,998)		377,152	0.06
				12-Dec-18	(5,000)		372,152	0.06
				13-Dec-18	(7,999)		364,153	0.06
				05-Feb-19	(5,000)		359,153	0.06
				06-Feb-19	(3,703)		355,450	0.06
				07-Feb-18	(6,000)		349,450	0.06
				25-Feb-19	(2,855)		346,595	0.06
				07-Mar-19	(2,000)		344,595	0.06
				12-Mar-19	(6,000)		338,595	0.05
				13-Mar-19	(8,000)		330,595	0.05
8	Mrs. Ashu Gupta	100,000	0.02	17-Aug-18	(5,000)	Market Sale	95,000	0.02
				14-Dec-18	(3,000)		92,000	0.01
9	Mr. Niladri Deb (w.e.f. 07.05.2018)	200	0.00			No change	200	0

Note: Increase/decrease in shareholding of Directors and Key Managerial Personnel is based on disclosures received from the Directors and KMP

ANNEXURE VII

V. INDEBTEDNESS

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

(₹ in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	439.25	-	-	439.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	16.75	-	-	16.75
Total (i+ii+iii)	**456.00**	**-**	**-**	**456.00**
Change in Indebtedness during the financial year				
- Addition (Principal)	202.70	796.45	-	999.15
- Reduction (Principal)	(193.25)	(550.00)	-	(743.25)
Net Change	**9.45**	**246.45**	**-**	**255.90**
Indebtedness at the end of the financial year				
i) Principal Amount	448.70	246.45	-	695.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.03	-	-	12.03
Total (i+ii+iii)	**460.73**	**246.45**	**-**	**707.18**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Mr. Ignatius Navil Noronha - Managing Director & CEO	Mr. Ramakant Baheti - Whole-Time Director & Group CFO	Mr. Elvin Machado - Whole Time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	43,800,000	10,020,000	7,021,344	60,841,344
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	18,000	-	-	18,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others -Employers Contribution to Provident Fund	1,699,836	390,960	231,204	2,322,000
	Total (A)	**45,517,836**	**10,410,960**	**7,252,548**	**63,181,344**
	Ceiling as per the Act*				

* Remuneration paid to the Managing Director and Whole-time Director is within the ceiling provided under Section 197 of the Companies Act, 2013.

ANNEXURE VIII

B. Remuneration to Other Directors

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	**Independent Directors**	**Mr. Chandrashekhar Bhave**	**Mr. Ramesh Damani**	**Ms. Kalpana Unadkat**	
	(a) Fee for attending Board/Committee Meetings	630,000	650,000	310,000	1,590,000
	(b) Commission	2,000,000	2,000,000	1,333,333	5,333,333
	(c) Others, please specify	-	-		-
	Total (1)	**2,630,000**	**2,650,000**	**1,643,333**	**6,923,333**
2.	**Other Non-Executive Directors**	**Mrs. Manjri Chandak**			
	(a) Fee for attending Board/ Committee Meetings	620,000	-		620,000
	(b) Commission	-	-		-
	(c) Others, please specify	-	-		-
	Total (2)	**620,000**	**-**		**620,000**
	Total B = (1+2)				**7,543,333**
	Managerial Remuneration (Total A+B)				**70,724,677**
	Overall Ceiling as per the Act	₹ 132.48 crore (being 11% of Net Profit of the Company calculated as per section 198 of the Companies Act, 2013)			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO/ Group CFO	Ashu Gupta, Company Secretary	Niladri Deb, CFO (w.e.f. 07.05.2018)	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3,711,000	10,468,337	14,179,337
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	13,500	13,500
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please Specify (Employer Contribution to Provident Fund)	-	130,080	486,917	616,997
	Total	**-**	**3,841,080**	**10,968,754**	**14,809,834**

*CEO and Group CFO Remuneration are already reported in Para VI A above, as two directors are managing both the profiles additionally.

ANNEXURE VIII

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors of
Avenue Supermarts Limited

Ignatius Navil Noronha
Managing Director &
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-Time Director &
Group Chief Financial Officer
DIN: 00246480

Place: Thane
Date: 11th May, 2019

ANNEXURE VIII

DISCLOSURE PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014

(A) Conservation of energy

Steps taken or impact on conservation of energy	The operations of the Company are not energy intensive; however, adequate measures have been taken by the Company in new and existing stores, wherever feasible to reduce energy consumption. Some of these initiatives are: **Green Building Certification** We have obtained Gold Certified Green Building Certification for 23 additional stores this year taking our total to 50 stores (covering more than 2.3 million sq. ft. of development). This certification is issued by the Indian Green Building Council (IGBC) under New Buildings Rating System (for 46 properties) and US Green Building Council under Leadership in Energy and Environmental Design rating system (4 properties). Green building refers to both a structure and the application of processes that are environmentally responsible and resource-efficient throughout a building's life cycle: from planning to design, construction, operation, maintenance, renovation and demolition. There are several factors which are considered for awarding this certification. Some of those are elaborated below: **1. Energy Efficiency** • Installation of Rooftop Solar Plants at several existing and new stores. In all 46 stores have solar panels installed on their rooftops with a total commissioned capacity of 4.2 MW. **Other initiatives:** • LED Fixtures are installed at our stores to reduce overall energy consumption • BEE 5-Star Rated Split Air Conditioning units are installed in all offices to reduce overall energy consumption • CFC-Free Refrigerants are used in our Air Conditioning Equipment to reduce emission of greenhouse gases **2. Water Conservation** • Installation of low-flow water-efficient fixtures at stores. These have aerators fixed by default to maintain and regulate water flow • Development of rainwater harvesting pits to collect rainwater run-off and harvest it (through groundwater recharge). This helps in addressing the issue of groundwater depletion • Installation of STPs at several stores to recycle water and reduce the usage of local water supply. Treated water is used in toilets for flushing • Installation of waterless urinals on a pilot basis at some locations. If feasible, the same will be replicated across all our stores **3. Sustainable Building Material** • Usage of Autoclaved Aerated Concrete (AAC) Blocks, which contain up to 65% of recycled material, for construction of stores. These blocks use fly-ash – a large pollutant byproduct of thermal power plants • Ready Mix Concrete - We always strive to procure RMC from a location which is close to our site, thus significantly reducing its transportation. In addition, we always encourage usage of fly-ash (within permitted limits) in our RMC which is used in our building construction
Steps taken by the Company for utilizing alternate sources of energy	Installation of Rooftop Solar Plants at several existing and new stores. In all 46 stores have solar panels installed on their rooftops with a total commissioned capacity of 4.2 MW.
Capital investment on energy conservation equipment	₹ 39,843,568/-

(B) Technology absorption:

Efforts made towards technology absorption	N.A
Benefits derived like product improvement, cost reduction, product development or import substitution	N.A
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
• Details of technology imported	N.A
• Year of import	N.A
• Whether the technology has been fully absorbed	N.A
• If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A
Expenditure incurred on Research and Development	Nil

(C) Foreign exchange earnings and Outgo

(₹ in crore)

Particulars	Financial year 2018-19	Financial year 2017-18
Actual Foreign Exchange earnings	5.98	Nil
Actual Foreign Exchange outgo	650.29	401.06

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is essentially the management of an organisation's activities in accordance with policies that are value-accretive for all stakeholders. At DMart (ASL), the Management strongly believes in fostering a governance philosophy that is committed to maintaining accountability, transparency and responsibility, which are integral to the Company's day-to-day operations.

In order to keep up the highest level of standards regarding Corporate Governance and Disclosures, the Management has instituted several committees that oversee various aspects of the organisation's administration. Formed in accordance with the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') the Committees inspect and resolve issues that may arise from time to time within the Company.

A well-informed Board is an important facet of responsible behavior. On a regular basis, the Board members of the Company are apprised of all the vital issues that it comes across and the remedial actions taken in this regard. Through this robust Corporate Governance mechanism that interlinks values, ethics and positive culture, the Company aims to achieve long-term sustainability.

2. BOARD OF DIRECTORS

The Board of Directors of the Company comprises of seven Directors, of which three are Executive Directors, one Non-executive Woman Director and three Independent Directors (including a Woman Director). All members of the Board are eminent persons with considerable professional expertise and experience. The Board consists of a balanced combination of Executive Directors and Independent Directors in accordance with the requirements of the Companies Act, 2013; and the same is in compliance with the requirements of Regulation 17 of the Listing Regulations, as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The Chairman of the Company is an Independent Director.

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

The details of other Directorships/ Chairmanships and Memberships of Committees held by Directors of the Company as on 31st March, 2019 is given below

Name of Directors	Category	No. of Other Directorships and Committee Chairmanship(s) / Membership(s)			Particulars of Directorships in other Listed Entities	
		*Directorships	#Chairmanships	#Memberships	Name of the Company	Category of Directorship
Mr. Ramesh Damani (DIN: 00304347)	Chairman, Non-Executive, Independent Director	1	1	1	Aptech Limted	Non-Executive, Independent Director
Mr. Chandrashekhar Bhave (DIN: 00059856)	Non-Executive, Independent Director	2	1	-	1. Mahindra & Mahindra Financial Services Limited 2. Tejas Networks Limited	Non-Executive, Independent Director Additional Director (Non-Executive, Independent Director)
Ms. Kalpana Unadkat (DIN: 02490816) (w.e.f. 30th July, 2018)	Non-Executive, Independent Director	1	-	-	-	-
Mrs. Manjri Chandak (DIN: 03503615)	Non-Executive, Non-Independent Director	3	1	-	-	-

Name of Directors	Category	No. of Other Directorships and Committee Chairmanship(s) / Membership(s)			Particulars of Directorships in other Listed Entities	
		*Directorships	#Chairmanships	#Memberships	Name of the Company	Category of Directorship
Mr. Ignatius Navil Noronha (DIN: 01787989)	Executive Director	1	-	-	-	-
Mr. Ramakant Baheti (DIN: 00246480)	Executive Director	1	-	1	-	-
Mr. Elvin Machado (DIN: 07206710)	Executive Director	-	-	-	-	-

Note:

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

It includes Chairmanship or Membership of the Audit Committee and Stakeholders' Relationship Committee of Public Companies (listed and unlisted) only.

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

None of the Directors on the Board serve as an 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 with any listed company. No Director is a member of more than ten Committees or acts as the Chairman of more than five Committees across all companies in which he or she is a Director.

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 of the management.

Shareholding of Directors as on 31st March, 2019

Name of Directors	Category	No. of Equity Shares	% Shareholding
Mr. Ramesh Damani	Chairman, Non-Executive, Independent Director	100,000	0.02
Mr. Chandrashekhar Bhave	Non-Executive, Independent Director	0	0.00
Ms. Kalpana Unadkat	Non-Executive, Independent Director	0	0.00
Mrs. Manjri Chandak	Non-Executive, Non-Independent Director	0	0.00
Mr. Ignatius Navil Noronha	Executive Director	13,500,000	2.16
Mr. Ramakant Baheti	Executive Director	2,975,000	0.48
Mr. Elvin Machado	Executive Director	330,595	0.05

Board Meetings

The Board Meeting is conducted at least once in every quarter to discuss the performance of the Company and its Quarterly Financial Results, along with other Company issues. The Board also meets to consider other business(es), whenever required, from time to time. Agenda of the business(es) to be transacted at the Board Meeting along with explanatory notes thereto are drafted and circulated well in advance to the Board of Directors of the Company. The Company always ensures that Board members are presented with all the relevant information on vital matters affecting the working of the Company including the information as inter-alia specified under Part A of Schedule II of Regulation 17(7) of the Listing Regulations. Every Board Member is free to suggest the inclusion of any item on the agenda and hold due discussions thereto.

Five meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates of the meetings were as follows:

5th May, 2018, 30th July, 2018, 13th October, 2018, 12th January, 2019 and 24th March, 2019. The Eighteenth Annual General Meeting of the Shareholders of the Company was held on Tuesday, 28th August, 2018.

The attendance of each Director at the Board Meeting and the last Annual General Meeting is given under:

Names of Directors	Particulars of attendance for the Board Meetings		Attendance for last AGM held on 28th August, 2018
	Meetings held during the Director's tenure	Board Meetings attended	
Mr. Ramesh Damani	5	5	Yes
Mr. Chandrashekhar Bhave	5	5	Yes
Ms. Kalpana Unadkat*	3	3	Yes
Mrs. Manjri Chandak	5	5	Yes
Mr. Ignatius Navil Noronha	5	5	Yes
Mr. Ramakant Baheti	5	5	Yes
Mr. Elvin Machado	5	5	Yes

* Ms. Kalpana Unadkat was appointed as a Director w.e.f. 30th July, 2018

Separate Independent Directors Meetings

Pursuant to Schedule IV of the Companies Act, 2013 and as per Regulation 25(3) of the Listing Regulations, separate meeting of Independent Directors of the Company was held on Saturday, 12th January, 2019. The agenda was to review the performance of Non-Independent Directors (including the Chairperson), the entire Board and Committees thereof, quality, quantity and timeliness of the flow of information between the management and the Board.

Familiarisation Programme

At the time of appointment, the Independent Directors are made aware of their roles and responsibilities through a formal letter of appointment which stipulates various terms and conditions. At Board and Committee meetings, the Independent Directors are regularly being familiarized on the business model, strategies, operations, functions, policies and procedures of the Company and its subsidiaries. All Directors attend the familiarization programs as these are scheduled to coincide with the Board meeting calendar.

The details of training programs attended by the Independent Directors has been posted on the Company's website at the web link: http://www.dmartindia.com/investor-relationship

Matrix of skills / expertise/ competencies of the Board of Directors

The Board of the Company comprises qualified members with the required skills, competence and expertise for effective contribution to the Board and its Committee. The Board members are committed to ensure that the Company is in compliance with the highest standards of Corporate Governance.

The table below summarizes the list of core skills/ expertise/ competencies identified by the Board of Directors for effectively conducting the business of the Company and are available with the Board. The table also mentions the specific areas of expertise of individual Director against each skill/ expertise/ competence:

Core skills/ expertise/ competencies	Name of Director
Operations • Store Operations • Human Resources • Supply Chain	 Mr. Ignatius Navil Noronha Mrs. Manjri Chandak Mr. Elvin Machado
Finance	Mr. Chandrashekhar Bhave Mr. Ramesh Damani Mr. Ramakant Baheti Mrs. Manjri Chandak
Legal	Mr. Chandrashekhar Bhave Ms. Kalpana Unadkat Mr. Ramakant Baheti
Compliance/ Corporate Governance	Mr. Chandrashekhar Bhave Ms. Kalpana Unadkat Mr. Ignatius Navil Noronha Mr. Ramakant Baheti
Business Development	Mr. Ignatius Navil Noronha Mr. Ramakant Baheti Mr. Elvin Machado
Information Technology	Mr. Chandrashekhar Bhave Mr. Ramesh Damani Mr. Ignatius Navil Noronha

Committees of the Board of Directors

In compliance with the requirements of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has constituted various Committees. These Committees are entrusted with such powers and functions as detailed in its respective terms of reference. Besides, the Committees help focus attention on specific matters of the organisation.

There are total 7 Committees as on 31st March, 2019; out of which 5 are statutory committees and 2 are other committees considering the need of best practice in Corporate Governance of the Company.

Committees as mandated under the Companies Act, 2013 and the Listing Regulations	
1.	Audit Committee
2.	Stakeholders' Relationship Committee
3.	Nomination and Remuneration Committee
4.	Corporate Social Responsibility Committee
5.	Risk Management Committee
Other Committees	
6.	Operations Committee
7.	ESOP Committee

The Board of Directors at its meeting held on 12th January, 2019 dissolved the IPO Committee of the Company which was constituted to administer and monitor the IPO of the Company.

3. AUDIT COMMITTEE

The Audit Committee of the Company is duly constituted as per Regulation 18 of the Listing Regulations, read with the provisions of Section 177 of the Companies Act, 2013. All the Members of the Audit Committee are financially literate and capable of analysing Financial Statements of the Company.

Mr. Chandrashekhar Bhave is the Chairman of the Audit Committee. The Statutory Auditors are invited to Audit Committee Meetings.

The Committee members may invite the Internal Audit or any other concerned officer of the Company in the meetings, whenever required on case to case basis.

The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process. The Company Secretary acts as the Secretary of the Audit Committee.

Terms of Reference of the Audit Committee are as follows:

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company;

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d) Reviewing, with the management, the annual financial statements and 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 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.

e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement 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 or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the Company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the Company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Monitoring the end use of funds raised through public offers and related matters;

m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

n) 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;

o) Discussion with internal auditors of any significant findings and follow up thereon;

p) Reviewing the findings of any internal investigations by the internal auditors into matters of 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;

q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

r) 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;

s) To establish and review the functioning of the whistle blower mechanism;

t) Approval of appointment of Chief Financial Officer (i.e. the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, and background, etc. of the candidate;

u) Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority; and

v) Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters / letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

w) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore 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.

x) Review the compliance of the provision of Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal controls are adequate and operating sufficiently and forward the said report with the comments / observations to the Board of Directors of the Company.

Audit Committee Meetings

In FY 19, four Audit Committee meetings were held. The meetings were held on 5th May, 2018, 30th July, 2018, 13th October, 2018 and 12th January, 2019. The details of composition of Audit Committee and attendance of each Committee Member are as follows:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Chandrashekhar Bhave	Chairman	4	4
Mr. Ramesh Damani	Member	4	4
Ms. Kalpana Unadkat*	Member	1	1
Mr. Ramakant Baheti	Member	4	4

* The Audit Committee was re-constituted w.e.f. 13th October, 2018 by inducting Ms. Kalpana Unadkat, Independent Director as the Member of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Regulation 19 of the Listing Regulations read with the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee recommends the nomination of Directors, and carries out evaluation of performance of individual Directors. Besides, it recommends remuneration policy for Directors, Key Managerial Personnel and the Senior Management of the Company.

Terms of reference of the Nomination and Remuneration Committee are as follows:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees;

b) Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;

c) Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;

d) Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel;

e) Devise a policy on diversity of Board of Directors;

f) 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; and

g) Recommend to the Board, all remuneration, in whatever form, payable to senior management

Nomination and Remuneration Committee Meetings

During the financial year under review, four meetings of the Nomination and Remuneration Committee were held. The meetings were held on 5th May, 2018, 30th July, 2018, 13th October, 2018 and 12th January, 2019. The composition and attendance of each Committee Member is as under:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Chandrashekhar Bhave	Chairman	4	4
Mr. Ramesh Damani	Member	4	4
Mrs. Manjri Chandak	Member	4	4

Performance Evaluation Criteria for Independent Directors

The Board of Directors of the Company carried out an annual evaluation of its own performance, of committees, of the Board and individual directors pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The performance evaluation is conducted through structured questionnaires which cover various aspects such as the Board composition and structure, effectiveness and contribution to Board processes, adequacy, appropriateness and timeliness of information and the overall functioning of the Board etc. The Individual Directors response to the questionnaire on the performance of the Board, Committee(s), Directors and Chairman, were analyzed. The Directors were satisfied with the evaluation process and have expressed their satisfaction with the evaluation process.

In compliance with Regulation 19 read with Part D of Schedule II of the Listing Regulations, the Board of Directors has formulated criteria for evaluation of the Company's Independent Directors' performance. The performance evaluation of Independent Directors is carried out on the basis of their role and responsibilities, effective participation in the Board and Committee meetings, expertise, skills and exercise of independent judgment in major decisions of the Company.

5. REMUNERATION OF DIRECTORS

a) Criteria of making payments to Non-Executive Directors

Sitting Fees

The Non-executive Directors are entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. Sitting fees paid to non-executive Directors are within the prescribed limits under the Companies Act, 2013 and as determined by the Board of Directors from time to time.

Commission

The shareholders of the Company at their annual general meeting held on 6th September, 2017 approved payment to Independent Directors of the Company on annual basis, by way of commission, the aggregate of which shall not exceed one percent of the net profits of the Company per annum computed in the manner prescribed under section 198 of the Companies Act, 2013, in such amount and proportion and in such manner as may be determined by the Board of Directors from time to time, in addition to the sitting fees for a period of five years commencing from 1st April, 2017.

Reimbursement of expenses

The non-executive directors are also entitled to reimbursement of expenses for participation in the Board and other meetings in terms of the Companies Act, 2013.

The details of sitting fees and commission for the financial year 2018-19 are as under:

(Amount in ₹)

Names of Non-Executive Directors	Sitting Fees	Commission
Mr. Ramesh Damani	650,000	2,000,000
Mr. Chandrashekhar Bhave	630,000	2,000,000
Ms. Kalpana Unadkat	310,000	1,333,333
Mrs. Manjri Chandak	620,000	-

During the year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Directors apart from sitting fees and commission. The Company has not granted any stock options to any of its Non-Executive Directors.

b) Managing Director & Whole-time Director

The Company has paid remuneration to its Managing Director and Whole-time Directors, by way of salary and perquisites, within the limits stipulated under the Companies Act, 2013 and as per the approval sought from the shareholders of the Company.

Details of the remuneration paid to the Executive Directors of the Company during the financial year 2018-19 are as follows:

Amount in ₹

Name	Designation	Basic Salary	Company's contribution to provident fund	Perquisites	Variable	Gross Remuneration
Mr. Ignatius Navil Noronha	Managing Director & CEO	43,800,000	1,699,836	18,000	-	45,517,836
Mr. Ramakant Baheti	Whole-time Director & Group CFO	10,020,000	390,960	-	-	10,410,960
Mr. Elvin Machado	Whole-time Director	5,821,344	231,204	-	1,200,000	7,252,548

The performance criteria of the above-mentioned Directors are laid down by the Nomination and Remuneration Committee in accordance with the Nomination and Remuneration Policy of the Company.

Service Contract, Severance Fees and Notice Period

Mr. Ignatius Navil Noronha was re-appointed as Managing Director of the Company for a period of five years from 1st February, 2016 upto 31st January, 2021.

Mr. Ramakant Baheti was appointed as a Whole-time Director of the Company for a period of five years from 1st May, 2014 upto 30th April, 2019. The Shareholders of the Company re-appointed Mr. Ramakant Baheti as a Whole-time Director of the Company designated as 'Group Chief Financial Officer', for a term of five years commencing from 1st May, 2019, through Postal Ballot on 6th March, 2019.

Mr. Elvin Machado was re-appointed as a Whole-time Director of the Company, for a term of three years from 10th June, 2018 upto 9th June, 2021.

There is no separate provision for payment of any severance fees for the Managing Director or either of the Whole-time Directors. However, there is a provision of a notice period of six months from either side for all three of them.

Employee Stock Options

Details of Stock options granted to the Executive Directors under the Employee Stock Ownership Plan (ESOP) Scheme, 2016 are as under:

Name of Directors	Category	Date of grant	Options Granted	Options vested and exercised	Grant price per equity share (₹)	Vesting Period	Exercise Period
Mr. Ignatius Navil Noronha	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Ramakant Baheti	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Elvin Machado	Class A Options		60,000	NA	₹ 299	9 Years	3 months from the date of vesting or such other period as may be determined by the ESOP Committee
	Class B Options	14.03.2017	45,000	NA	₹ 299	6 years	
	Class C Options		15,000	NA	₹ 299	2.5 years	

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Board was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. This Committee deals with stakeholder relations and grievances raised by the investors in a timely and effective manner and to the satisfaction of investors. The Committee oversees performance of the Registrar and Share Transfer Agents of the Company relating to investor services and recommends measures for improvement.

Ms. Ashu Gupta is the Compliance Officer of the Company pursuant to Regulation 6 of the Listing Regulations.

Terms of reference of the Stakeholders' Relationship Committee are as follows:

a) Investor relations and redressal of grievances of security holders of the Company in general and relating to non-receipt of dividends, interest, non- receipt of balance sheet etc.

b) Approve requests for security transfers and transmission and those pertaining to rematerialisation of securities / subdivision/ consolidation of shares, issue of renewed and duplicate share/debenture certificates etc.

c) Resolving the grievances of the shareholders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, general meetings, etc.

d) Review of measures taken for effective exercise of voting rights by shareholders.

e) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

f) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

g) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee.

Stakeholders Relationship Committee Meetings

During the year ended 31st March, 2019, three meetings of Stakeholders Relationship Committee were held on 15th June, 2018, 16th November, 2018 and 12th February, 2019. The Company Secretary of the Company acts as a Secretary to the Committee. The composition and attendance of each Member is as follows:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mrs. Manjri Chandak	Chairperson	3	3
Mr. Ramesh Damani*	Member	2	2
Mr. Ramakant Baheti	Member	3	3

* The Stakeholders Relationship Committee was re-constituted w.e.f. 30th July, 2018 by inducting Mr. Ramesh Damani, Non-Executive Independent Director, as a member of the Committee.

Investor Complaints

The details of investor complaints received / redressed during the financial year is asunder:

Complaints as on 01.04.2018	Received during the year	Resolved during the year	Pending as on 31.03.2019
01	25	26	0

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee of the Board was constituted in compliance with the provisions of Section 135 of the Companies Act, 2013.The Company is focused on stakeholder value creation, especially for the shareholders and local communities by contributing to the social and environmental needs.

Scope of the CSR Committee:

(a) To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

(b) To recommend the amount of expenditure to be incurred on the activities;

(c) To monitor the CSR Policy of the Company from time to time;

(d) To monitor the CSR activities undertaken by the Company, which shall be as per the CSR Policy, as projects or programmes or activities undertaken in India (either new or ongoing), excluding activities undertaken in its normal course of business;

(e) To provide a report on CSR activities to the Board of the Company;

(f) To be responsible for the implementation and monitoring of CSR Policy, this shall be in compliance with CSR objectives and Policy of the Company; and

(g) To ensure the compliance of Section 135 read with Schedule VII of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and subsequent amendments thereto.

Corporate Social Responsibility Committee Meetings

The Corporate Social Responsibility Committee met three times during the year ended 31st March, 2019 on 5th May, 2018, 30th July, 2018 and 12th January, 2019. The composition and attendance of each Committee Member is as under:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Chandrashekhar Bhave	Chairman	3	3
Mr. Ramesh Damani	Member	3	3
Mrs. Manjri Chandak	Member	3	3
Mr. Ramakant Baheti	Member	3	3

8. RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board was constituted in compliance with the provision of Regulation 21 of the Listing Regulations.

Terms of reference of the Risk Management Committee are as follows:

1. To assist the Board in the execution of its responsibility for the governance and to assist the Board in setting risk strategy policies, including annually agreeing risk tolerance and appetite levels, in liaison with the Management;
2. To review, assess the quality, integrity and effectiveness of the risk management plan and systems and ensure that the risk policies and strategies are effectively managed by management and that risks taken are within the agreed tolerance and appetite levels;
3. To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks. A framework and process to anticipate unpredictable risks should also be implemented;
4. To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained;
5. To review processes and procedures to ensure the effectiveness of internal systems of control, so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;
6. To provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by management and the Audit Committee to the Board on all categories of identified risks facing the Company;
7. To assist the Board in its responsibility for disclosure in relation to risk management in the annual report, and acknowledgement that it is accountable for the risk management function; and
8. To review the risk bearing capacity of the Company in light of its reserves, insurance coverage, guarantee funds or other such financial structures.

It was determined by the Board that Risk Management Committee shall meet twice a year. Additional meetings may be convened at the request of any one of the committee members. However, the meetings are to be scheduled as such that they are held before the meetings of the Board, for effective reporting. Moreover, the Chairman of the Risk Management Committee shall report from time to time to the Board on the deliberations of the Committee.

Risk Management Committee Meetings

During the financial year under review, five meetings of the Risk Management Committee were held on 23rd April, 2018, 25th June, 2018, 13th August, 2018, 11th December, 2018 and 12th March, 2019. The composition and attendance of each Committee Member is as under:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mr. Ignatius Navil Noronha	Chairman	5	5
Mr. Ramakant Baheti	Member	5	5
Mrs. Manjri Chandak	Member	5	5
Mr. Ashutosh Dhar	Member	5	5
Mr. Vikram Bhatia	Member	5	5

9. OPERATIONS COMMITTEE

Terms of reference of the Operations Committee are as follows:

1. To borrow loans for the operations of the Company upto the maximum limit of ₹ 1,800 crore in a financial year;
2. To authorise such persons including Directors to approach banks/ financial institution and others to avail loans/credit facilities from time to time for operation of the Company and to negotiate and finalise the terms and conditions thereof and to authorise any of the officials of the Company to execute necessary documents to avail the facilities from time to time;
3. To authorise such officials of the Company to operate the loan accounts/ bank accounts of the Company from time to time;
4. To invest idle funds of the Company in various securities of any corporate, government securities and such other instrument upto the limit of ₹ 300 crore;
5. To avail / authorise such persons including directors to approach banks for the facility of merchant establishment services from time to time for efficient working of the Company;
6. To allot securities of the Company as may be approved by the Board from time to time;
7. To issue Commercial Paper for meeting working capital requirements of the Company for an amount not exceeding ₹ 900 crore with maturity upto one year from the date of issue and;
8. To authorise such officials of the Company to attend, appear, to declare, sign vakalatnama, affirm and file Written Statements, replies, affidavits, applications, to file and exhibit the documents, to lead the evidence on behalf of the Company in matters related to the Company.

The Operations Committee comprises of:

Name of the Members	Designation in the Committee
Mr. Ramakant Baheti	Chairman
Mr. Ignatius Navil Noronha	Member

10. EMPLOYEE STOCK OPTION (ESOP) COMMITTEE

Terms of reference of the ESOP Committee are as follows:

a) To evolve, decide upon and bring into effect the ESOP Scheme as may be approved by the Board and shareholders of the Company from time to time (the “Scheme”);

b) Determine the detailed terms and conditions of the Scheme, including but not limited to the quantum of the options to be granted under the Scheme (the Options), quantum of the Options to be granted per employee, the exercise period, the vesting period, instances where such Options shall lapse and to grant such number of Options, to such employees of the Company and other entities as approved, pursuant to which equity shares shall be issued at the fair market value, at such time and on such terms and conditions as set out in the Scheme and as the ESOP Committee may in its absolute discretion think fit and make any modifications, changes, variations, alterations or revisions in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company;

c) Frame suitable policies and procedures to ensure that there is no violation of securities laws, including the SEBI ESOP Regulations or the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the Company and its employees, as applicable;

d) To settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company; and

e) To take any other action as may be considered necessary by the ESOP Committee for the purposes of giving effect to the Scheme.

The ESOP Committee comprises of:

Name of the Members	Designation in the Committee
Mr. Ramesh Damani	Chairman
Mr. Chandrashekhar Bhave	Member
Mrs. Manjri Chandak	Member

11. GENERAL BODY MEETINGS

Annual General Meetings

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

Financial Year	Date and Time	Venue	Special Resolutions
2017-18	Tuesday, 28th August, 2018, at 11:00 A.M.	Nehru Centre Auditorium, Discovery Of India Building, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai- 400 018	• To offer and issue secured, rated, cumulative, redeemable, non-convertible debentures aggregating upto ₹ 1,500 crore on private placement basis.
2016-17	Wednesday, 6th September, 2017, at 11:00 A.M.	Nehru Centre Auditorium, Discovery Of India Building, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai- 400 018	• To offer and issue secured, rated, cumulative, redeemable, non-convertible debentures aggregating upto ₹ 1,000 crore on private placement basis.
2015-16	Friday, 16th September, 2016, at 11:30 A.M.	Rodas, Central Avenue, Hiranandani Gardens, Powai, Mumbai – 400 076	• To mortgage, pledge, hypothecate or charge, in addition to the existing mortgages, hypothecation(s) and charges created up to an amount not exceeding ₹ 2,000 crore. • Increase in the borrowing limits under section 180(1)(c) from existing ₹ 1,800 crore to ₹ 2,000 crore. • Offer and issue Equity shares of ₹ 10/- each by way of Initial Public Offering. • Adoption of new set of Articles of Association of the Company. • Grant and issue of options and equity shares under Avenue Supermarts Limited Employee Stock Option Scheme 2016.

Extraordinary General Meetings

The details of Extraordinary General Meetings convened during the last three years are as follows:

Financial Year	Date and Time	Venue	Special Resolutions
2017-18	Nil		
2016-17	Nil		
2015-16	Thursday, 10th March, 2016, at 11.00 A.M.	Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai - 400 076	• Increase in the borrowing limits under section 180(1)(c) of the Company from existing ₹ 1,500 crore to ₹ 1,800 crore. • Issue of Non-Convertible Debentures upto ₹600 crore on a Private Placement Basis. • Re-appointment of Mr. Ignatius Navil Noronha as the Company's Managing Director.

Details of resolutions passed through Postal Ballot

As per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, during the year under review, the following resolutions were passed by members of the Company through Postal Ballot on 6th March, 2019. Details of the postal ballot process followed in these regard are as under:

Date of Postal Ballot Notice: 12th January, 2019

Voting period: From 5th February, 2019 (9:00 a.m.) to 6th March, 2019 (5:00 p.m.)

Date of declaration of result: 8th March, 2019

Particulars of Resolution	Type of Resolution	No. of votes polled	Votes cast in favor		Votes cast against	
			Number	%	Number	%
Re-appointment of Mr. Ramesh Damani (DIN: 00304347) as an Independent Director for a period of 5 (five) years w.e.f. 1st April, 2019.	Special	543,903,832	543,724,671	99.97	179,161	0.03
Re-appointment of Mr. Ramakant Baheti (DIN: 00246480) as a Whole-time Director for a period of 5 (five) years w.e.f. 1st May, 2019.	Ordinary	542,486,551	539,415,364	99.43	3,071,187	0.57
To provide loan, and/or give guarantee and/ or provide security in connection with loans raised by Avenue E-Commerce Limited, Subsidiary Company up to ₹ 250,000,000/- (Rupees Twenty Five crore).	Special	543,903,595	543,893,868	100.00	9,727	0.00

Mr. Himanshu S. Kamdar (Membership No. FCS 5171), Partner of M/s. Rathi & Associates, Practicing Company Secretaries, was appointed as the Scrutinizer for carrying out the Postal Ballot process in a fair and transparent manner.

Further, no special resolution is proposed to be passed through postal ballot on the date of this report.

12. MEANS OF COMMUNICATION

Quarterly Results	The Company communicates to the Stock Exchanges about the quarterly financial results within 30 minutes from the conclusion of the Board Meeting in which the same is approved. The results are usually published in (Economic Times) English newspaper having country-wide circulation and in (Maharashtra Times) Marathi newspaper where the registered office of the Company is situated. These results were also placed on the Company's website http://www.dmartindia.com.
Website	All the information and disclosures required to be disseminated as per Regulation 46(2) of the Listing Regulations and Companies Act, 2013 are being posted at Company's website: http://www.dmartindia.com.
	The official news releases and presentations to the institutional investors or analysts, if made any are disseminated to the Stock Exchange at www.nseindia.com and www.bseindia.com and the same is also uploaded on the website of the Company www.dmartindia.com
Designated E-mail address for investor services	To serve the investors better and as required under Listing regulations, the designated e-mail address for investors complaints is investorrelations@dmartindia.com

13. GENERAL SHAREHOLDER INFORMATION

AGM date, time and venue	Tuesday, 20th August, 2019, 11.00 a.m. at Nehru Centre Auditorium, Discovery Of India Building, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai- 400 018.
Financial Year	April to March
Book Closure Date	Wednesday, 14th August, 2019 to Tuesday, 20th August, 2019 (Both days inclusive).
Dividend Payment Date	NA
Registered Office	Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai - 400 076
Corporate Office	B–72/72A, Wagle Industrial Estate, Road No. 33, Kamgar Hospital Road, Thane - 400 604
Name and Address of Stock Exchanges where Company's securities are listed	ISIN: INE192R01011 **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Trading Symbol – DMARTEQ **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 540376
Listing fees	The Annual Listing fees for the financial year 2019-20 have been paid to the respective Stock Exchanges.
Share Registrar and Transfer Agents	**Link Intime India Private Limited** C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India Tel No.: +91-22-4918 6270 Fax No.: +91-22-4918 6060 Investor query registration: rnt.helpdesk@linkintime.co.in
Debenture Trustees	IDBI Trusteeship Services Limited Asian Building, Ground Floor,17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001
Company Secretary & Compliance officer	Mrs. Ashu Gupta

DMart

Market Price Data

The high and low prices and volumes of your Company's shares at BSE for the financial year 2018-19 are as under:

Month (2018-19)	BSE		SENSEX		No. of shares transacted
	High	Low	High	Low	
April 2018	1,534.00	1,327.00	35,213.30	32,972.56	1,860,455
May 2018	1,606.00	1,337.05	35,993.53	34,302.89	8,896,716
June 2018	1,622.05	1,420.00	35,877.41	34,784.68	1,958,520
July 2018	1,663.80	1,485.50	37,644.59	35,106.57	1,444,823
August 2018	1,682.00	1,548.20	38,989.65	37,128.99	1,009,862
September 2018	1,617.10	1,350.00	38,934.35	35,985.63	976,965
October 2018	1,422.05	1,126.95	36,616.64	33,291.58	1,779,489
November 2018	1,496.90	1,344.55	36,389.22	34,303.38	955,520
December 2018	1,696.15	1,473.00	36,554.99	34,426.29	1,093,331
January 2019	1,621.15	1,346.50	36,701.03	35,375.51	1,604,472
February 2019	1,520.30	1,377.85	37,172.18	35,287.16	858,988
March 2019	1,529.70	1,445.00	38,748.54	35,926.94	643,898

Avenue Supermarts Price Movement Chart—BSE

The high and low prices and volumes of your Company's shares at NSE for the financial year 2018-19 are as under:

Month (2018-19)	NSE		NIFTY		No. of Shares transacted
	High	Low	High	Low	
April 2018	1,534.60	1,326.35	10,759.00	10,111.30	1,50,58,565
May 2018	1,611.00	1,333.10	10,929.20	10,417.80	4,56,70,391
June 2018	1,623.00	1,420.00	10,893.25	10,550.90	1,39,85,953
July 2018	1,664.55	1,495.95	11,366.00	10,604.65	1,09,59,206
August 2018	1,680.00	1,551.00	11,760.20	11,234.95	95,47,777
September 2018	1,620.00	1,340.25	11,751.80	10,850.30	70,44,810
October 2018	1,421.00	1,125.75	11,035.65	10,004.55	1,74,06,522
November 2018	1,500.00	1,346.20	10,922.45	10,341.90	98,86,502
December 2018	1,698.70	1,473.00	10,985.15	10,333.85	1,31,55,926
January 2019	1,620.75	1,343.00	10,987.45	10,583.65	1,52,23,798
February 2019	1,526.00	1,376.45	11,118.10	10,585.65	92,95,662
March 2019	1,530.00	1,442.00	11,630.35	10,817.00	82,43,101

Avenue Supermarts Price Movement Chart—NSE

(Source: The information is compiled from the data available on the BSE and NSE websites)

Share Transfer System

Nomination Facility

Shareholders who hold shares in physical form and wish to make/ change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit request to Registrar and Transfer Agent (RTA) the prescribed Forms SH-13/SH-14.

Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, email address, nomination and power of attorney should be given directly to the Depository Participant (DP).

Shares held in Physical Form

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, email address, nomination and power of attorney should be given to the Company's RTA i.e. Link Intime India Pvt. Ltd.

Shareholding pattern of the Company as on 31st March, 2019

Category of Shareholders	No. of shares	% of Total Shares
A. PROMOTERS	506,777,156	81.20
B. PUBLIC SHAREHOLDING		
Mutual Funds	18,359,822	2.94
Banks / Financial Institutions	229,494	0.04
Foreign Institutional Investors /Foreign Portfolio Investor	36,868,811	5.91
Alternate Investment Funds	1,410,790	0.23
Individuals	56,121,350	9.00
NBFCs	19,394	0
Trust	25,227	0
Hindu Undivided Family	741,055	0.12
Non Resident Indians	580,062	0.09
Foreign Portfolio Investor (Individual)	102	0
Clearing Member	380,126	0.06
Bodies Corporate	2,571,097	0.41
Total(A+B)	**624,084,486**	**100**

Distribution of Shareholding

Distribution of shareholding of shares of your Company as on 31st March, 2019 is as follows:

No. of Equity Shares Held	No. of Shareholders	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
1-500	198,231	97.20	9,287,651	1.49
501-1000	2,270	1.11	1,673,096	0.27
1001-2000	1,248	0.61	1,787,570	0.29
2001-3000	463	0.23	1,163,112	0.19
3001-4000	237	0.12	831,201	0.13
4001-5000	211	0.10	976,047	0.16
5001-10000	470	0.23	3,574,751	0.57
10001 and above	821	0.40	604,791,058	96.91
Total	**203,951**	**100**	**624,084,486**	**100.00**

Dematerialisation of Shares and Liquidity

The Company has established connectivity with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialisation of shares and the same are available in electronic segment under ISIN: INE192R01011. Equity Shares representing 97.86% of the Company's Share Capital are dematerialised as on 31st March, 2019

The shares of the Company are regularly traded at both the Stock Exchanges where they are listed, which ensures the necessary liquidity to shareholders.

Physical and Dematerialised Shares as on 31st March, 2019	Shares	% of Total Issued Capital
No. of Shares held in dematerialised form in CDSL	517,557,195	82.93
No. of Shares held in dematerialised form in NSDL	93,150,785	14.93
No. of Physical Shares	13,376,506	2.14
Total	**624,084,486**	**100.00**

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

There are no GDR/ ADR/ Warrants or any Convertible Instruments pending conversion or any other instruments likely to impact the equity share capital of the Company.

Commodity price risk or foreign exchange risk and hedging activities

The Company has taken suitable steps from time to time for protecting it against foreign exchange risk(s). The Company does not enter into hedging activities.

As such, the Company is not exposed to any commodity price risk, and hence the disclosure under Clause 9(n) of Part C of Schedule V in terms of the format prescribed vide SEBI Circular, dated 15th November, 2018, is not required.

Plant Location

The Company has multiple stores in 11 states and 1 Union Territory of India, including Maharashtra, Gujarat, Telangana, Andhra Pradesh, Karnataka, Madhya Pradesh, Chhattisgarh, NCR, Tamil Nadu, Rajasthan, Punjab and Daman.

Address for Correspondence

A. Company's Registrar and Share Transfer Agent Address:

Link Intime India Private Limited
C 101, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai – 400 083,
Maharashtra, India
Tel No.: +91-22-4918 6270
Fax No.: +91-22-4918 6060
Investor query registration: rnt.helpdesk@linkintime.co.in

B. Registered Office Address

Anjaneya CHS Limited, Orchard Avenue,
Opp. Hiranandani Foundation School, Powai,
Mumbai - 400 076
Tel No.: 022 40496500

C. Corporate Office Address

B–72/72A, Wagle Industrial Estate,
Road No. 33, Kamgar Hospital Road,
Thane - 400 604
Tel No.: 022 33400500 / 022 71230500
Website: www.dmartindia.com,
Email: investorrelations@dmartindia.com

Green Initiative
As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address registered with the Depository Participant (DPs) and Registrar and Transfer Agent (RTA).

Shareholders who have not registered their e-mail addresses so far are requested to do the same.

Those holding shares in demat form can register their e-mail address with their concerned DPs.

Shareholders who hold shares in physical form are requested to register their e-mail addresses with RTA, by sending a letter, duly signed by the first/joint holder quoting details of Folio Number.

14. DISCLOSURES

A. Disclosures on Materially Significant Related Party Transactions that may have potential conflict with the interests of the Company
During the year, the Company did not enter into any contract/ arrangement / transaction with related parties, which could be considered material in accordance with the policy of the Company on materiality of related party transactions. None of the transactions with any of related parties were in conflict with the Company's interest.

B. Details of Non-Compliance by the Company, Penalties, Strictures imposed on the Company by Stock Exchange(s) or the Board or any Statutory Authority, on any matter related to Capital Markets, during the last three years
No penalties, strictures were imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority on any matter related to Capital Markets except the payment of ₹ 3 Lakhs in respect of suo-moto compounding application filed with ROC for failing to appoint an Independent Director on the Board for the period 1st April, 2015 to 16th May, 2016. The Regional Director, by order dated 3rd March, 2017 has compounded the matter.

C. Disclosure of Vigil Mechanism/ Whistle Blower Policy and access to the Chairman of the Audit Committee
The Company has formulated Whistle Blower/ Vigil Mechanism Policy, pursuant to which the Director(s) and employee(s) of the Company have open access to the Authorised Person/ Committee member, as the case may be, and also to the Chairman of Audit Committee, whenever exceptionally required, in connection with any grievance, which is concerned with unethical behavior, frauds and other illegitimate activities in Company. The Whistle Blower Policy / Vigil Mechanism Policy adopted by the Company is available on the website of the Company i.e. www.dmartindia.com.

During the financial year 2018-19, the Company had received 3 (three) complaints from employees pursuant to Whistle Blower/ Vigil Mechanism Policy and the same were disposed off.

D. Policy for determining 'material' subsidiaries
The Company has formulated a policy for determining material subsidiaries in terms of the Listing Regulations, which was revised and approved by the Board of Directors of the Company at their meeting held on 30th July, 2018.This Policy has been posted on the website of the Company at the web link: http://www.dmartindia.com/investor-relationship.

The Audit Committee reviews the financial statements and in particular, the investments made by the unlisted subsidiary companies. The minutes of the Board meetings of the subsidiaries are placed at the meeting of the Board of Directors of the Company. The management of the unlisted subsidiary periodically brings to the notice of the Board of Directors of the Company a statement of all significant transactions and arrangements entered into by the unlisted subsidiary, if any.

E. Policy on materiality and dealing with Related Party Transactions
The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions in line with the requirements of Section 177 (4) (iv) and 188 of the Act, read with Rules framed thereunder and the Listing Regulations, which was revised and approved by the Board of Directors of the Company at their meeting held on 30th July, 2018. This Policy has been posted on the website of the Company at the Web link: http://www.dmartindia.com/investor-relationship.

F. Code of Fair Disclosure of Unpublished Price Sensitive Information
In order to restrict communication of Unpublished Price Sensitive Information (UPSI), the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The said Code is available on the website of the Company at the Web link: http://www.dmartindia.com/investor-relationship.

G. Disclosure in relation to Sexual Harrassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
The details of number of complaints received and disposed of during the year ending 31st March, 2019 is given in the Directors' report.

H. List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year

The list of credit ratings obtained by the Company during the year ending 31st March, 2019 is given in the Directors' Report.

I. A certificate from a Company Secretary in practice

A certificate from the Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is attached with this Annual Report.

J. Total fees paid by the Company and its subsidiaries, on a consolidated basis to S R B C & Co. LLP, Statutory Auditor and all entities in its network firm/network entity, during the Financial Year 2018-19.

(₹ in crore)

Particulars	Amount (including GST)
Audit Fees	0.51
Other Services/ certifications*	0.66
Reimbursement of expenses	0.01
Total**	**1.18**

* Includes amount paid to network firm/ entity of S R B C & Co LLP

** Includes amounts accrued and payable at the year end.

15. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

There have been no instances of non-compliance of any requirement of the Corporate Governance Report as prescribed by the Listing Regulations.

16. COMPLIANCE WITH DISCRETIONARY REQUIREMENTS

The Company has voluntarily complied with the discretionary requirements relating to separate position of Chairman and Managing Director/Chief Executive Officer as per Regulation 27(1) of the Listing Regulations.

17. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

Your Company has complied with all 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, wherever applicable to your Company.

Code of Conduct Declaration

In terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and based on the affirmations provided by the Directors and Senior Management Personnel of the Company to whom Code of Conduct is made applicable, it is declared that the Board of Directors and the Senior Management Personnel have complied with the Code of Conduct for the year ended 31st March, 2019.

For **Avenue Supermarts Limited**

Ignatius Navil Noronha
Managing Director & CEO
DIN: 01787989

Date: 11th May, 2019
Place: Thane

CERTIFICATE ON 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 of
Avenue Supermarts Limited
Anjaneya CHS Limited, Orchard Avenue,
Opp. Hiranandani Foundation School,
Powai, Mumbai 400 076.

We have examined the relevant register, records, forms, returns and disclosures received from the Directors of Avenue Supermarts Limited having CIN: L51900MH2000PLC126473 and having registered office at Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai 400 076 (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulations 34(3) read with Schedule V Para C Clause 10(i) of the SEBI (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 of the portal www.mca.gov.in) as considered necessary and explanation furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Director of the Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of the Director	DIN	Date of Appointment in the Company
1.	Mr. Ramesh Damani	00304347	09/09/2009
2.	Mr. Chandrashekhar Bhave	00059856	17/05/2016
3.	Ms. Kalpana Unadkat	02490816	30/07/2018
4.	Mrs. Manjri Chandak	03503615	31/03/2011
5.	Mr. Ignatius Navil Noronha	01787989	02/01/2006
6.	Mr. Ramakant Baheti	00246480	02/01/2006
7.	Mr. Elvin Machado	07206710	10/06/2015

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 all efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Rathi & Associates
Company Secretaries

Himanshu S. Kamdar
Partner
FCS No.: 5171
CP No.: 3030

Date: 10th May, 2019
Place: Mumbai

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We hereby certify that

(a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2019 and 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 or 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 the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee

(i) Significant changes in internal control over financial reporting during the year;

(ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

This certificate is being given to the Board pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thank you.

Yours truly,

For **Avenue Supermarts Limited**

Ignatius Navil Noronha
Managing Director & CEO

Place: Thane
Date: 11th May, 2019

For **Avenue Supermarts Limited**

Niladri Deb
Chief Financial Officer

Place: Thane
Date: 11th May, 2019

Certificate on Corporate Governance

To,
The Members of
Avenue Supermarts Limited

We have examined the compliance of conditions of Corporate Governance by Avenue Supermarts Limited ('the Company') for the year ended March 31, 2019, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations have been limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of
Rathi & Associates
Company Secretaries

Himanshu S. Kamdar
Partner
FCS No.: 5171
CP No.: 3030

Date: 10th May, 2019
Place: Mumbai

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L51900MH2000PLC126473

2. **Name of the Company:** Avenue Supermarts Limited ("ASL", "The Company")

3. **Registered Address:** Anjaneya CHS Ltd, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076.

4. **Website:** www.dmartindia.com

5. **E-mail id:** suggestion@dmartindia.com

6. **Financial Year Reported:** Financial year 2018-19

7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** Retail Trade – 47 (Retail Trade, except of motor vehicles and motorcycles)

8. **List three key products/services that the Company manufactures/provides (as on balance sheet)**
   - Foods
   - Non Foods (Fast Moving Consumer Goods)
   - General Merchandise and Apparel

9. **Total number of locations where business activity is undertaken by the Company:**
   i. Number of International Locations: Nil
   ii. Number of National Locations:
   As on 31st March, 2019, the Company carries out its business operations through 176 stores located across (11) states and (1) Union Territory.

10. **Markets served by the Company – Local/State/National/International:** National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid Up Capital (INR):** ₹ 624.08 crore

2. **Total Turnover (INR):** ₹ 19,916.25 crore

3. **Total Profit after Taxes (INR):** ₹ 936.35 crore

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%) -** ₹16.55 crore, 2.02% of average profit for previous three years (computation as prescribed by the Companies Act, 2013).

5. **List of activities in which the expenditure in 4 above has been incurred:** Refer to Annexure IV of the Directors Report.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**
   Yes, the Company has five subsidiary companies as listed below;
   1. Align Retail Trades Private Limited
   2. Avenue Food Plaza Private Limited
   3. Nahar Seth & Jogani Developers Private Limited
   4. Avenue E-Commerce Limited
   5. Reflect Wholesale & Retail Private Limited

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
   Align Retail Trades Private Limited, a subsidiary of ASL, participates in relevant BR initiatives of the Company.

3. **Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)**
   No.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director / Director responsible for implementation of the Business Responsibility policy/policies

Name	DIN Number	Designation
Mr. Ignatius Navil Noronha	01787989	Managing Director& CEO

b) Details of the Business Responsibility Head

DIN Number (if applicable)	N.A.
Name	Mr. Rushabh Ghiya
Designation	AVP - Investor Relations
Telephone number	022-3340 0500 / 022-7123 0500
Email id	suggestion@dmartindia.com

2. Principle-wise (as per NVGs) BR Policy/Policies

a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for…	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been developed in consultation with the Management of the Company.								
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are in-line with the principles of National Voluntary Guidelines (NVG).								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been approved by the Board and have been signed by the Managing Director & CEO.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	The Company has appointed a Business Responsibility Head to oversee the implementation of the policies								
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Weblink: http://www.dmartindia.com/investor-relationship								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are uploaded on our websites for communicating it to the internal and external stakeholders. Weblink: http://www.dmartindia.com/investor-relationship								
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Stakeholders can report grievances related to policies and provide suggestion on the email id; suggestion@dmartindia.com								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

b) If answer against any principle, is 'No', please explain why: (Tick up to 2 options):

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	NA								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done in the next 6 months									
5	It is planned to be done in the next year									
6	Any other reason (please specify)									

3. Governance related to BR

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**
The Business Responsibility performance is reviewed annually.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
ASL is publishing its Business Responsibility Report as a part of its annual report which will be published annually. The Annual Report is available at www.dmartindia.com under the section Investor Relations.

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**
The Company has incorporated a policy on Ethics, Transparency & Accountability which is applicable to its Employees, Directors, Business Partners, Business Associates and other relevant stakeholders to conduct business ethically and transparently.

The policy on ethics and transparency acts as a guidance manual for all our stakeholders to conduct business ethically and avoid any breaches related to unfair practices.

The Company has a separate code of conduct for Board Members and Senior Management. The intent of this code is to focus on areas of ethical risk, provide guidance to recognize and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**
ASL as an organization is conscious about all complaints received from its stakeholders. Through a formal mechanism we address each complaint. Due care is taken to maintain complete confidentiality in all complaints received. Our Senior Management Team is directly involved in all critical complaints. They also periodically review complaints and suggest corrective actions in our internal processes, if needed.

Opening Balance	Received (FY 2018-19)	% of Complaints resolved (FY 2018-19)
16	58	68.92%

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.**
The Company's principle nature of business is to provide everyday use products to end consumers. However, one of our subsidiary Company procures, processes and repacks certain products which are provided to end consumers through our stores.

It is our constant endeavor to ensure that all laws and regulations related to processing, packaging, labeling are adhered to along with periodic internal quality control checks.

2. **For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.**

(i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
We are in the business of retailing goods/products to end consumers through our 176 stores spread across 11 states and 1 union territory. We strive to optimize use of resources at our new and existing stores. Wherever feasible, we encourage the following:
- Installation of rooftop solar plants to reduce energy consumption
- Implementation of rainwater harvesting process to restore depleting ground water
- Usage of LED lighting
- Usage of Water-efficient fixtures that consume lesser water than the standard ones
- Treatment of waste through in-house sewage treatment plants
- Usage of AAC Blocks which contain recycled materials
- Obtain a Green Building Certification under Indian Green Building Council (IGBC) and US Green Building Council (USGBC)

(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
Not applicable

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.**
The Company has a structured procedure which is followed before collaborating with any business partners/ associates. Our team visits their facilities to assess and evaluate them on health and safety parameters.

ASL is aiming to reduce its fuel consumption in transportation by operating through common distribution centers in vicinity of our store locations, wherever feasible. This minimizes the distance to transport goods to our stores, thus reducing fuel consumption.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**
The Company believes in inclusive growth and encourages local sourcing wherever possible. Local suppliers/ vendors are evaluated based on the quality parameters set by the Company.

5. **Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products? Provide details thereof, in about 50 words or so.**
Owing to the nature of our business we generate very limited amount of waste. However, the Company has installed sewage treatment plants at stores wherever possible to reduce load on the municipal bodies.

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the total number of employees.**
Total number of permanent employees is 7,713.
2. **Please indicate the total number of employees hired on temporary/ contractual/casual basis.**
The total number of employees hired on contractual basis is 33,597.
3. **Please indicate the number of permanent women employees.**
Total number of permanent women employees is 1,685.
4. **Please indicate the number of permanent employees with disability.**
Total number of permanent employees with disability is 12.
5. **Do you have an employee association that is recognised by management?**
The Company does not have any recognised employee association.
6. **What percentage of your permanent employees are a member of this recognised employee association?**
Not Applicable.
7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**
ASL has stringent policies & procedures which are in line with local laws to prevent any kind of forced labor, child labor and sexual harassment at our locations of operations. Some of these processes are:
    - We collect valid documents related to age proof and employment is confirmed only after submission of valid documents which are verified.
    - The Company maintains a safe working environment for women employees. We create awareness among our employees that sexual harassment is a serious misconduct and there are formal mechanisms available for raising the complaints.

The details of the number of complaints received during the financial year 2018-19 are as follows:

Category	No. of complaints during financial year	No. of complaints pending at the end of the financial year
Child Labour / Forced Labour / Involuntary Labour	0	0
Sexual Harassment	19	0
Discriminatory employment	0	0

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
The Company organizes several training programs for its employees through functional modules. The training content is based on the roles and responsibilities performed by the employees in different grades and departments.

The details of trainings conducted during the financial year 2018-19 are as follows:

Employee category	% of employees that were given safety training	% of employees that were given skill up-gradation training
Permanent employees	72	64
Permanent women employees	63	80
Casual/ Temporary/ Contractual Employees	75	81
Permanent employees with disability	74	100

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable, and marginalized.

1. **Has the Company mapped its internal and external stakeholders? Yes/No**
Yes, ASL has identified and mapped all its key internal and external stakeholders and same are mentioned below;
a) Customers
b) Employees
c) Business Partners / Associates
d) Shareholders
e) Regulatory Authorities / Bodies
f) Local Communities in the areas that we operate in

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**
Yes.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**
ASL wants to make a real difference to the underprivileged by strengthening schools, impacting education and inspiring lives through its CSR initiatives, which includes;

- Providing basic infrastructure for education
- Computer education and learning
- Availability of playground & sports fixtures and sports material
- Pedagogy and activity based learnings
- Quality staff for teaching
- English Language Programme

Through these initiatives, the Company has impacted more than 95,000 students through its holistic school interventions.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**
The Company has framed a policy on human rights, which is a guidance document for its Employees, Business Partners/ Associates and other relevant stakeholders.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
During the financial year 2018-19, the Company has not received any complaints from stakeholders in this respect.

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

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.**
The Company has a defined Environment Policy which is a guidance document for its Employees, Business Partners/ Associates and other relevant stakeholders to encourage them to adopt more environment friendly and safe business practices.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**
ASL understands the global issue of climate change and has incorporated possible actions to address it.We have taken following initiatives towards mitigating the environmental impact, wherever feasible:

- **Water conservation programmes:** The Company believes water is a critical resource and hence works towards minimizing its fresh water requirements through initiatives such as rain water harvesting
- **LED lightings:** We use LED light fixtures, thereby conserving energy year by year.
- **CFC-free refrigerants:** We use CFC free refrigerants in Air – Conditioning equipment's, which reduces release of CFCs in atmosphere which is one of the major contributors for greenhouse gases.
- **Use of BEE 5 - Star Equipment's:** The Company uses BEE 5-star rated split air conditioners which consumes less energy in comparison to conventional air conditioners.
- **Use of Sustainable materials for construction:** The Company incorporates sustainable vision right at the construction stage of our stores. We use AAC blocks in place of conventional building materials which are sourced from local manufacturers.
- **Installation of waterless urinals:** On a pilot basis at some locations waterless urinals are installed. If feasible, the same will be replicated across all stores.
- **Ready Mix Concrete:** We always strive to procure RMC from a location which is close to our site, thus significantly reducing its transportation. In addition, we always encourage usage of fly-ash (within permitted limits) in our RMC which is used in our building.

3. **Does the Company identify and assess potential environmental risks? Y/N**
ASL assesses the potential impacts of its operations on the environment through implementation of the Environment Policy.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
We do not have any projects registered under Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
The Company invests in energy efficiency (refer to our response to question 2) and renewable energy projects, detailed below:

- **Solar Plant:** ASL has installed solar panels on rooftops at several of our existing and new projects. 46 stores have solar panels installed on their rooftops with a total commissioned capacity of 4.2 MW. This initiative has helped the Company reduce its dependency on grid power supply.

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**
Not Applicable

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
There are no show cause/ legal notices received from CPCB / SPCB as on end of FY 2018-19.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
ASL is member of Retailers Association of India (RAI).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**
ASL understands the improvement and advancements of the industry in interest of public good. Our endeavor is to co-operate with all Government bodies and policy makers in this regard.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**
The Company has a Corporate Social Responsibility Policy which details its vision of working for the underprivileged sections of the society. The primary focus of our CSR program is education which includes working with different local municipal schools to improve education standards through various pedagogical interventions like Computer Education, Library Programme and English and Vernacular Language proficiency Programmes. During the financial year 2018-19, the Company has started Skill Building Programmes for underprivileged youth.

2. **Are the programmes / projects undertaken through in-house team / own foundation/external NGO / government structures / any other organization?**
We have an in-house team dedicated to carry out Company's CSR initiatives. We also collaborate with Expert Partners and NGOs for some of our initiatives.

3. **Have you done any impact assessment of your initiative?**
The dedicated in-house team monitors the number of beneficiaries impacted by the Company's CSR initiatives and the same is presented to the CSR Committee periodically.

4. **What is your company's direct contribution to community development projects amount in INR and the details of the projects undertaken.**
The Company has contributed ₹16.55 crore during the financial year 2018-19 towards community development projects. The details of these projects are mentioned in Annexure IV of the Directors Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
We conduct post impact assessment for all our CSR initiatives which help us understand the effectiveness of these programs. Based on the outcome of these assessments, the Company plans corrective measures wherever necessary.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
There are 23 ongoing consumer complaints as on 31st March, 2019.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**
The Company is an emerging national supermarket chain with focus on value retailing. Majority of the products are procured from reputed third party vendor/ manufacturers/ distributors which are directly sold to the customer. However, we also procure some goods from other vendors which are repacked at our locations.

Hence it is our constant endeavor to engage with our entire vendor ecosystem and seek to ensure that all our vendors adhere to proper labeling indicating content, safety and handling of the products which we sell.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.**
There is one case pending before the judicial authorities for trademark infringement.

4. **Did your company carry out any consumer survey / consumer satisfaction trends?**
Customer satisfaction is of prime importance for any business to sustain in the market. Our store personnel interact with customers frequently to understand their experience and take their feedback on our services. This helps us to improve our service quality and enhance customer satisfaction. We also encourage our customers to share their valuable feedback with us and have made available several channels which they can use to reach us. Some of those are:
- Customer Care Desk at each store
- Feedback / Complaints Register at stores
- Our corporate website
- Central customer care helpline number
- Electronic mail

Independent Auditor's Report

To the Members of
Avenue Supermarts Limited

Report on the Audit of Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Avenue Supermarts Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Assessment of impairment of investment in subsidiary: Avenue E-Commerce Limited ("AEL") (as described in note 1.f of the standalone Ind AS financial statements)</td></tr>
<tr><td>The Company has an investment amounting to ₹ 177.46 crore as at March 31, 2019 in its subsidiary Avenue E-Commerce Limited.

This subsidiary commenced business three years back and has had continued losses, which provides an indicator for impairment in the investment.

Management has used external specialist to support the recoverable amounts of its investment based on fair market value of equity shares of AEL.

We determined this areas as a key audit matter because of the judgemental factors involved in testing for impairment and the significant carrying value of the investment.</td><td>Our audit procedures in respect of assessment impairment of Investment in Avenue Ecommerce Limited included the following:

• We assessed the Company's valuation methodology applied in determining the fair market value of equity share s. In making this assessment, we evaluated the objectivity and independence of Company's specialists involved in the process;
• We involved valuation expert to assist in evaluating the key inputs such as revenue, financial liabilities, cash and cash equivalent of the Company, number of shares outstanding along with comparable transaction multiples of peers of the Company available in the public domain and discount rate on multiple considered for valuation purpose;
• We obtained and read the audited financial statements of the subsidiary to determine the net worth, cash flows and other financial indicators;</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
	• We also assessed the Company's disclosures concerning this in Note 1.f on significant accounting estimates and judgements and Note 5 of Investment in Subsidiaries to the financial statements.
Allowance for inventory obsolescence and shrinkage (as described in note 1.j and 1.w of the standalone Ind AS financial statements)	
As at March 31, 2019, the carrying amount of inventories amounted to ₹1,576.22 crore after considering allowances for Inventory obsolescence and shrinkage. These inventories are held at the stores and distribution centres of the Company. Allowance for Inventory shrinkage was an audit focus area since inventory cycle counts were carried out at periodical intervals during the year and further significant judgement is involved in identifying the amount of provision for shrinkages.	Our procedures over allowance for inventory obsolescence and shrinkage included the following: • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to allowance for inventory obsolescence and shrinkage; • We performed testing on the Company's controls over the inventory cycle count process. In testing these controls we observed the inventory cycle count process at selected store and distribution centres on a sample basis, inspected the results of the inventory cycle count and confirmed variances were accounted for and approved by management. • Assessed the stock shrinkage provision by assessing the level of inventory write downs during the period and applying the shrinkage rate as determined location wise to the year end stock. We tested on a sample basis the shrinkage rate used to calculate the provision for each store and distribution centre. • We assessed the Company's disclosures concerning this in Note 1.j and 1.w on significant accounting estimates and judgements and Note 8 Inventories to the financial statements.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

 i) The Company has disclosed the impact of pending litigation on its financial position in its standalone Ind AS financial statement – Refer Note 37 to the standalone Ind AS financial statement;

 ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

 iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar
Partner
Membership Number: 36738

Place of Signature: Mumbai
Date: May 11, 2019

Annexure 1

to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Avenue Supermart Limited ('the Company')

(i) (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.

(b) All fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanation given by the management the title deeds of immovable property included in property, plant and equipment are held in the name of the Company out of which for land properties aggregating 133.73 crore as at March 31, 2019 mutation of land is in progress.

Total number of cases	Asset category	Gross Block as on March 31, 2019	Net Block as on March 31, 2019
10	Freehold land	133.73	133.73

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.

(vii) (a) According to the information and as explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, labour welfare fund, profession tax, income-tax, goods and service tax, customs duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, there are no undisputed statutory dues including provident fund, employees' state insurance, labour welfare fund, profession tax, income-tax, goods and service tax, customs duty, cess and other material statutory dues which were outstanding, at the year-end for a period of more than six months.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Unpaid amount involved (₹ in crore) *	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	0.52	2008-2013	Commissioner of Service tax
Gujarat Value Added Tax Act, 2003	Value added tax	0.46	2011-2012	Joint Commercial Tax Commissioner
Gujarat Value Added Tax Act, 2003	Value added tax	0.07	2008-2009	Deputy Commissioner of Commercial Tax
Gujarat Value Added Tax Act, 2003	Value added tax	0.14	2009-2010	Deputy Commissioner of Commercial Tax
Gujarat Value Added Tax Act, 2003	Value added tax	0.41	2010-2011	Joint Commercial Tax Commissioner
Gujarat Value Added Tax Act, 2003	Value added tax	0.29	2012-2013	Joint Commercial Tax Commissioner
Gujarat Value Added Tax Act, 2003	Value added tax	0.20	2013-2014	Joint Commercial Tax Commissioner
Maharashtra Value Added Tax Act, 2002	Value added tax	0.09	2008-2009	Deputy Commissioner of Commercial Tax
Maharashtra Value Added Tax Act, 2002	Value added tax	0.19	2011-2012	Deputy Commissioner of Commercial Tax
Madhya Pradesh Value Added Tax Act, 2002	Value added tax	0.18	2015-2016	Deputy Commissioner of Commercial Tax
Madhya Pradesh Value Added Tax Act, 2002	Entry tax	0.34	2015-2016	Deputy Commissioner of Commercial Tax
Income Tax Act, 1961	Interest on Income tax	0.42	2013-2014	Asst. Commissioner of Income tax
Income Tax Act, 1961	Income tax	0.03	2010-2011	Deputy Commissioner of Income tax
Income Tax Act, 1961	Income tax	0.0005	2016-2017	Deputy Commissioner of Income tax
Income Tax Act, 1961	Short Deduction/Late Deduction of TDS	0.12	2007-2008 to 2014-2015	Assessing Officer

* The unpaid amount mentioned above is net of ₹ 1.45 crore paid under protest

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank or dues to debenture holders. There are no dues payable to any financial institution and government.

(ix) In our opinion and according to information and explanations given by the management, monies raised by the Company by way of initial public offer and term loans were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilisation have been gainfully invested in fixed deposits. The maximum amount of idle/surplus funds invested during the year was ₹ 491.72 crore, of which ₹ 92.58 crore was outstanding at the end of the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar
Partner
Membership Number: 36738

Place of Signature: Mumbai
Date: May 11, 2019

Annexure 2

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Avenue Supermarts Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Avenue Supermarts Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar
Partner
Membership Number: 36738

Place of Signature: Mumbai
Date: May 11, 2019

Standalone Balance Sheet

as at 31st March, 2019

(₹ in Crores)

	Notes	As at 31st March, 2019	As at 31st March, 2018
Assets			
Non-current assets			
(a) Property, plant and equipment	2	4,205.86	3,233.65
(b) Capital work-in-progress	2	376.55	147.05
(c) Investment properties	3	18.10	16.33
(d) Intangible assets	4	10.27	6.20
(e) Financial assets			
(i) Investments in subsidiaries	5	212.00	129.50
(ii) Other non-current financial assets	6	36.06	48.07
(f) Other non-current assets	7	109.68	85.26
		4,968.52	**3,666.06**
Current assets			
(a) Inventories	8	1,576.22	1,147.04
(b) Financial assets			
(i) Investments	9	-	51.71
(ii) Trade receivables	10	75.52	33.36
(iii) Cash and cash equivalents	11	120.23	64.05
(iv) Bank balances other than cash and cash equivalents	12	93.32	492.41
(v) Other current financial assets	13	59.18	78.37
(c) Other current assets	14	104.58	79.47
		2,029.05	**1,946.41**
Total assets		**6,997.57**	**5,612.47**
Equity and liabilities			
Equity			
(a) Equity share capital	15	624.08	624.08
(b) Other equity	16	4,970.40	4,018.63
		5,594.48	**4,642.71**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	125.67	246.00
(ii) Other non-current financial liabilities	18	0.78	0.78
(b) Deferred tax liabilities (net)	19	64.07	46.30
Current liabilities		**190.52**	**293.08**
(a) Financial liabilities			
(i) Borrowings	20	299.15	7.25
(ii) Trade payables due to -	21		
Micro and small enterprises		5.44	1.17
Other than micro and small enterprises		452.84	314.70
(iii) Other current financial liabilities	22	420.54	330.45
(b) Other current liabilities	23	21.93	11.26
(c) Provisions	24	12.67	11.85
		1,212.57	**676.68**
Total equity and liabilities		**6,997.57**	**5,612.47**
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of Board of Directors of Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

Ignatius Navil Noronha
Managing Director and Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and Group Chief Financial Officer
DIN: 00246480

per Vijay Maniar
Partner
Membership No. 36738

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 11th May, 2019

Thane, 11th May, 2019

Statement of Standalone Profit and Loss

for the year ended 31st March, 2019

(₹ in Crores)

	Notes	31st March, 2019	31st March, 2018
Income			
Revenue from operations	25	19,916.25	15,008.89
Other income	26	51.41	72.64
Total income		**19,967.66**	**15,081.53**
Expenses			
Purchase of stock-in-trade		17,409.12	12,862.76
Changes in inventories of stock-in-trade	27	(429.18)	(213.88)
Employee benefits expense	28	335.03	276.56
Finance costs	29	47.15	59.41
Depreciation and amortisation expense	30	198.80	154.65
Other expenses	31	959.10	746.12
Total expenses		**18,520.02**	**13,885.62**
Profit before tax		1,447.64	**1,195.91**
Tax expense			
Current tax	32	501.21	417.17
Adjustment of tax related to earlier periods		(7.69)	(0.49)
Deferred tax charge/(credit)		17.77	(5.45)
Total income tax expenses		**511.29**	**411.23**
Profit for the year		936.35	784.68
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements gains/(loss) on defined benefit plans	45	(1.95)	(0.80)
Less: Income tax effect		0.68	0.28
Net other comprehensive income not to be reclassified to profit or loss in subsequent period		**(1.27)**	**(0.52)**
Total comprehensive income for the year		935.08	784.16
Earnings per equity share of ₹ 10 each: (in ₹)	41		
Basic		15.00	12.57
Diluted		14.79	12.41
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of Board of Directors of
Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

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Managing Director and
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Partner
Membership No. 36738

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 11th May, 2019

Thane, 11th May, 2019

Statement of Standalone Cash Flows

for the year ended 31st March, 2019

(₹ in Crores)

	31st March, 2019	31st March, 2018
Cash flow from operating activities:		
Profit before tax	1,447.64	1,195.91
Adjustments for:		
Depreciation and amortisation expenses	198.80	154.65
Finance cost	47.15	59.41
Interest income	(25.84)	(46.26)
Profit on sale of investments	(10.08)	(16.42)
Expense on employee stock option scheme	16.61	21.23
Rent income	(5.72)	(5.97)
(Gain)/loss on disposal of property plant and equipment (net)	(1.01)	(3.00)
	219.91	163.64
Operating profit before working capital changes	**1,667.55**	**1,359.55**
Adjustments for:		
Increase in trade payables	142.41	49.09
Increase/(decrease) in provisions	(1.13)	2.88
Increase/(decrease) in other current financial liabilities	(25.76)	23.31
Increase/(decrease) in other current liabilities	10.67	(20.94)
Decrease in other non-current financial liabilities	-	(0.60)
Increase in trade receivables	(42.16)	(12.36)
Increase in inventories	(429.18)	(213.88)
(Increase)/decrease in current investments	51.71	(51.71)
(Increase)/decrease in other non-current assets	(20.44)	-
(Increase)/decrease in other non-current financial assets	11.95	(2.64)
Increase in bank balances other than cash and cash equivalents	(0.05)	(0.04)
Increase in other current assets	(25.11)	(21.71)
Decrease in other current financial assets	5.81	8.48
	(321.28)	(240.12)
Cash flow from operating activities	1,346.27	1,119.43
Direct taxes paid (net of refunds)	(493.49)	(396.46)
Net cash flow from operating activities	**852.78**	**722.97**
Cash flow from investing activities:		
Proceeds from disposal of property plant and equipment	8.05	6.86
Realisation from FDs of IPO proceeds	399.14	1,358.68
Interest received	39.22	34.27
Gain on sale of investments	10.08	16.42
Rent income received	5.27	5.93
	461.76	**1,422.16**
Purchase of property, plant and equipment/ intangible assets/ investment properties	(1,379.98)	(896.79)
Investment in subsidiaries	(82.50)	(92.88)
	(1,462.48)	(989.67)
Net cash flow (used in)/from investing activities	**(1,000.72)**	**432.49**

Statement of Standalone Cash Flows

for the year ended 31st March, 2019

(₹ in Crores)

	31st March, 2019	31st March, 2018
Cash flow from financing activities:		
Proceeds from long-term borrowings	150.00	-
Proceeds from short-term borrowings	50.00	-
Proceeds of commercial papers	786.52	-
	986.52	**-**
Repayment of long-term borrowings	(16.00)	(542.46)
Repayment of non-convertible debentures	(170.00)	(384.00)
Repayment of short-term borrowings	(4.55)	(115.41)
Repayment of commercial papers	(540.99)	-
Interest paid	(50.94)	(79.84)
	(782.48)	(1,121.71)
Cash flow (used in)/from financing activities	**204.04**	**(1,121.71)**
Net increase/(decrease) in cash and cash equivalent	56.10	33.75
Cash and cash equivalents at beginning of the year	64.01	30.26
Cash and cash equivalents at end of the year	120.11	64.01
Cash and cash equivalents as per above comprises of the following		
Cash and cash equivalents (Refer Note: 11)	120.23	64.05
Bank overdrawn (Refer Note: 22)	(0.12)	(0.04)
Balance as per statement of cash flows	120.11	64.01

The accompanying notes are an integral part of these financial statements

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

As per our report of even date

For and on behalf of Board of Directors of
Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

per Vijay Maniar
Partner
Membership No. 36738

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 11th May, 2019

Thane, 11th May, 2019

Statement of Changes in Equity

for the year ended 31st March, 2019

A. Equity share capital

	Notes	No. of Shares	₹ in Crores
Equity Share of ₹ 10 each issued, subscribed and fully paid	15		
At 1st April, 2017		624,084,486	624.08
Issue of Share Capital		-	-
At 31st March, 2018		624,084,486	624.08
Issue of Share Capital		-	-
At 31st March, 2019		**624,084,486**	**624.08**

B. Other equity

(₹ in Crores)

	Notes	Other equity				
		Securities premium	Share options outstanding account	Debenture redemption reserve	Retained earnings	Total
Balance as at 1st April, 2017		1,809.77	1.16	124.72	1,277.31	3,212.96
Profit for the year		-	-	-	784.68	784.68
Other comprehensive income for the year		-	-	-	(0.52)	(0.52)
Share option expense	44	-	21.51	-	-	21.51
Transfer from debenture redemption reserve		-	-	(37.77)	37.77	-
Balance as at 31st March, 2018		**1,809.77**	**22.67**	**86.95**	**2,099.24**	**4,018.63**
Profit for the year		-	-	-	936.35	936.35
Other comprehensive income for the year		-	-	-	(1.27)	(1.27)
Share option expense	44	-	16.69	-	-	16.69
Transfer from debenture redemption reserve		-	-	(27.30)	27.30	-
Balance as at 31st March, 2019		**1,809.77**	**39.36**	**59.65**	**3,061.62**	**4,970.40**

Nature and purpose of reserve

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

Share options outstanding account

The share options outstanding is used to recognise the grant date fair value of options issued to employees under Avenue Supermarts Limited Employee Stock Option Scheme, 2016.

Debenture redemption reserve

The Company is required to create a debenture redemption reserves out of profit which is available for the purpose of redemption of debentures in accordance with provisions of Companies Act, 2013.

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of Board of Directors of Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

per Vijay Maniar
Partner
Membership No. 36738

Thane, 11th May, 2019

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DIN: 00246480

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 11th May, 2019

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

Corporate Information

Avenue Supermarts Limited ('the Company') is a company limited by shares and is domiciled in India. The Company's registered office is at Anjaneya, Opp. Hiranandani Foundation School, Powai, Mumbai - 400 076, Maharashtra, India.. The Company is primarily engaged in the business of organised retail and operates supermarkets under the brand name of "D-Mart". Its equity shares are listed in India on BSE Limited and National Stock Exchange of India Limited.

The Financial Statements have been recommended for approval by the audit committee and is approved and adopted by the Board in their meeting held on 11th May, 2019.

1. Summary of significant accounting policies

(a) Basis of preparation

The Standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

1. certain financial assets and liabilities that are measured at fair value;
2. defined benefit plans – plan assets measured at fair value;
3. share based payments.

(ii) Current non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification. As asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose or trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

(iii) Rounding off amounts

The standalone financial statements are presented in ₹ and all values are rounded to the nearest Crores (₹ 0,000,000), except when otherwise indicated.

(b) Investment in subsidiaries and an associate

Investments in subsidiaries and an associates are accounted at cost in accordance with Ind AS 27.

(c) Property, plant and equipment (PPE)

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property plant and equipment recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. (Referred to as "historical cost" in this section")

Freehold land is carried at historical cost. All other item of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Capital work-in-progress, property, plant and equipment is stated at cost, net of accumulated depreciation. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing cost for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

separately based on thier specific useful lifes. Likewise, when a major inspection is performed, its cost is recongnised in the carrying amount of the property, plant and equipment as a replacement if the recongnition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred.

Capital work-in-progress comprises cost of property, plant and equipment (including related expenses), that are not yet ready for their intended use at the reporting date.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on property, plant and equipment

Depreciation is provided to the extent of depreciable amount on written down value method (except for leasehold land which is amortised over the period of lease) over the useful life of asset as assessed by the management and the same is similar to the useful lives as prescribed in Part-C of Schedule II to the Companies Act, 2013. Depreciation is charged on pro-rata basis for asset purchased/sold during the year.

The assets residual values, useful life and method of depreciation of PPE are reviewed and adjusted if appropriate, at the end of each reporting period.

(d) Intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.Intangible assets are amortised on a written down value basis over the economic useful life estimated by the management.

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

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

Amortisation on intangible assets

Amortisation is provided on straight-line method over the useful life of asset as assessed by the management and the same is similar to the useful lives as prescribed in Part-C of Schedule II to the Companies Act, 2013. Amortisation is charged on pro-rata basis for asset purchased/sold during the year.

Estimated useful life of assets are as follows:

Computer Software – 5 years

Trademarks – 5-10 years

(e) Investment properties

On transition to Ind AS, the Company has elected to continue with the carrying value of all its investment properties recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

Investments in property that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investment properties are measured initially at its cost including transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

The Company depreciates its investment properties over the useful life which is similar to that of Property, Plant and Equipment

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(f) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

Impairment losses are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI.

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

(g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Ind AS 17 also contains similar requirements for recognition of lease rental income under operating leases. The Company has determined that it does not meet criteria for recognition of lease rental expense/income on a basis other than straight-line basis.

(h) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises 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 change in value. For the purpose of financial statement of cash flow, cash and cash equivalent consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

(j) Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories, comprise costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

(k) Financial instruments

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

Financial asset

(i) Classification

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

* those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

* those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the Statement of Profit and Loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

Debt instruments:
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

* **Fair value through other comprehensive income (FVTOCI):** A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

  a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

  b) The asset's contractual cash flows represent SPPI.

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

* **Fair value through profit and loss:** FFVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

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

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

Equity instruments:
The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through the Statement of Profit and Loss are recognised in other income/other expenses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

* the Company has transferred the rights to receive cash flows from the financial asset or

* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the Company or the counterparty.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initiation is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash transferred or liabilities assumed, is recognised in the Statement of Profit and Loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(o) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing cost consist of interest and other cost that an entity incurs in connection with borrowing of funds.

(p) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and the amount can be reliably estimated.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

(q) Revenue from Operations

Revenue from operations is recognised to the extent that it is probable that economic benefit will flow to the Company and the revenue can be reliably measured regardless of when the payment is being made as per IND AS 115. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of goods

Revenue from sale of goods is recognised on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. It is the Company's policy to sell its products to the end customers with a right of return within 7 days. Historical experience is used to estimate and provide for such returns at the time of sales.

The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Principal versus agent consideration

The inventory of third party does not pass to the Company till the product is sold. At the time of sale of such inventory, the sales value along with the cost of inventory is disclosed seprately as sale of goods on approval basis and cost of goods sold on approval basis and forms part of Revenue in the Statement of Profit and Loss. Only the net revenue earned i.e. margin is recorded as a part of revenue.

Rental income

Rental income arising from operating lease on investment properties is accounted for on a straight-line basis over lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and is included in the Statement of profit or loss due to its operating nature.

Interest income

Interest income is recongnised based on time proportion basis considering the amount outstanding and rate applicable (EIR). Interest income in included in the Other Income in the statement of Profit and Loss.

(r) Retirement and other employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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

ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured at the present value of expected future payments to be made in respect of services provided

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to the Standalone Financial Statements for the year ended 31st March, 2019

by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligations

Defined benefit plans

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit or loss as past service cost.

Share based payment

Equity settled share based payments to employees and other providing similar services are measured at fair value of the equity instruments at grant date.

The fair value determined at the grant date of the equity-settled share based payment is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any is, recongised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate,with a corresponding adjustment to the shared option outstanding account.

No expense is recognised for options that do not ultimately vest because non market performance and/ or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Expense relating to options granted to employees of the subsidiaries under the Company's share based payment plan, is recovered from the subsidiary. Such recovery is reduced from employee benefit expense.

(s) Foreign currency transactions

(a) Functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The Financial statements are presented in INR, which is functional and presentational currency.

(b) Transaction and balances:

Transaction in currencies other than entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transaction.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retransalted. The gain or loss arising on translation of non-monetary items measured at fair value is treated

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to the Standalone Financial Statements for the year ended 31st March, 2019

in line with the recognition of the gain or loss on the change in fair value of the item.

(t) Income tax

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

Deferred income tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount for financial reorting purpose at the reporting date. Deferred tax assets and liabilities are determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the asset is realised or the liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(u) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity shareholder of the Company
- by the weighted average number of equity shares outstanding during the financial year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(v) Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

"The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and deposits, trade and other receivables, trade payables, other current liabilities, short-term loans from banks approximate their carrying amounts largely due to short-term maturities of these instruments.
2. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
3. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values."

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(w) Significant accounting judgement, estimates and assumption

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Company's accounting policies.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

Share based payment

The Company initially measures the cost of equity settled transaction with employees using Black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transaction requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimates also requires determination of the most appropirate inputs to the valuation model including expected life of the share option, volatality and dividend yield and making assumptions about them. For equity settled share based payment transaction, the liability needs to be re-measured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Statement of Profit and Loss. This requires a re-assessment of the estimates used at end of each reporting period. The assumption and models used for estimating the fair value for share based-payment transaction are disclosed in Note No. 44.

Provision for inventory

The Company has calculated the provision for inventory basis the percentage as per historical experience for inventory lying from the last inventory count date to the reporting date.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determinning the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note: 45.

(x) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker being Managing Director of the Company. The Managing Director assesses the financial performance and position of the Company as a whole, and makes strategic decisions.

(y) **Cash flow**

The investing and financing activities in cash flow statement do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The Company has disclosed these transactions, to the extent material, in notes to cash flow statement.

Notes

to the Standalone Financial Statements as at 31st March, 2019

2 Property, plant and equipment

(₹ in Crores)

	Freehold land (Refer Notes: 2,7)*	Leasehold land (Refer Note: 1)*	Buildings (Refer Notes: 1,4,6)*	Leasehold improvement	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Office equipment	Electrical installations	Total
Cost											
Balance as at 1st April, 2017	665.63	371.17	1,339.11	24.53	80.70	30.05	107.79	6.18	15.62	93.61	2,734.39
Additions	381.79	14.12	365.97	8.75	26.50	12.50	29.95	0.50	5.34	29.74	875.16
Reclassification	-	-	(2.30)	(0.45)	5.84	-	1.29	(4.44)	(0.39)	0.45	-
Disposals	1.63	-	0.26	1.15	0.86	0.26	0.90	0.02	0.17	0.07	5.32
Balance as at 31st March, 2018	**1,045.79**	**385.29**	**1,702.52**	**31.68**	**112.18**	**42.29**	**138.13**	**2.22**	**20.40**	**123.73**	**3,604.23**
Additions	576.56	-	401.26	14.49	64.19	21.71	64.81	1.01	6.68	26.91	1,177.62
Reclassification	-	-	(3.40)	-	-	-	-	-	-	-	(3.40)
Disposals	4.51	-	0.17	-	2.25	0.77	2.01	0.22	0.33	0.51	10.77
Balance as at 31st March, 2019	**1,617.84**	**385.29**	**2,100.21**	**46.17**	**174.12**	**63.23**	**200.93**	**3.01**	**26.75**	**150.13**	**4,767.68**
Depreciation											
Balance as at 1st April, 2017	-	7.95	101.16	3.12	17.44	15.88	33.12	2.82	7.30	30.44	219.23
Charge for the year	-	4.33	68.78	3.91	18.67	10.13	22.47	1.08	4.39	19.06	152.82
Reclassification	-	-	(0.29)	(0.31)	3.36	-	0.12	(2.89)	(0.19)	0.20	-
Disposals	-	-	0.03	0.29	0.35	0.16	0.45	0.01	0.14	0.04	1.47
Balance as at 31st March, 2018	**-**	**12.28**	**169.62**	**6.43**	**39.12**	**25.85**	**55.26**	**1.00**	**11.36**	**49.66**	**370.58**
Charge for the year	-	4.41	92.96	3.57	22.59	16.26	28.29	0.54	5.15	21.77	195.54
Reclassification	-	-	(0.48)	-	-	-	-	-	-	-	(0.48)
Disposals	-	-	0.03	-	1.34	0.58	1.17	0.15	0.24	0.31	3.82
Balance as at 31st March, 2019	**-**	**16.69**	**262.07**	**10.00**	**60.37**	**41.53**	**82.38**	**1.39**	**16.27**	**71.12**	**561.82**
Net book value											
Balance as at 31st March, 2018	**1,045.79**	**373.01**	**1,532.90**	**25.25**	**73.06**	**16.44**	**82.87**	**1.22**	**9.04**	**74.07**	**3,233.65**
Balance as at 31st March, 2019	**1,617.84**	**368.60**	**1,838.14**	**36.17**	**113.75**	**21.70**	**118.55**	**1.62**	**10.48**	**79.01**	**4,205.86**

* For the Notes please refer next page

Notes
to the Standalone Financial Statements as at 31st March, 2019

Note:

1 Leasehold land includes following amounts paid as premium under built operate and transfer (BOT) arrangement

	Land (₹ in Crores)		Building constructed on the land (₹ in Crores)	
	As at 31st March, 2019	As at 31st March, 2018	**As at 31st March, 2019**	As at 31st March, 2018
Gross block	13.83	13.83	41.10	40.99
Net block	13.23	13.38	34.70	36.66

2 Freehold land includes ₹ 133.75 Crores (31st March, 2018: ₹ 157.47 Crores) being property purchased, for which mutation is pending.

3 Capital work-in-progress as at 31st March, 2019 comprises expenditure for the new stores in the course of construction. Total amount of CWIP (including fit outs) is ₹ 376.55 Crores (31st March, 2018: ₹ 147.05 Crores)

4 Building and CWIP includes interest capitalised on borrowings for the FY 2018-19 of ₹ 3.10 Crores (FY 2017-18: ₹ Nil)

5 Assets pledged as security for borrowings is disclosed under note 34.

6 Building includes Net book value of plant and equipment fitting of ₹ 43.98 Crores (31st March, 2018: ₹ 56.13 Crores).

7 Freehold land ₹ 10.65 Crores being the value of a land purchased by the Company at Nagpur from Pramod Walmandhare and others The Company has filed the appeal before Deputy Director of Land records (DDLR) at Nagpur thereby challenging the Order dated 7th July, 2017 (by Virtue of which Ownership of the Pramod Walmandre and Others is affected) passed by Superintend of Land Records, Nagpur against Nagpur Improvement Trust and others. The said matter is pending before DDLR, Nagpur. Title deed in respect of the said property is held in the name of the Company.

Notes

to the Standalone Financial Statements as at 31st March, 2019

3 Investment properties

(₹ in Crores)

		As at 31st March, 2019	As at 31st March, 2018
Cost			
	Opening balance	18.24	28.90
	Reclassification	3.40	(10.66)
	Closing balance	**21.64**	**18.24**
Depreciation			
	Opening balance	(1.91)	(1.53)
	Charge for the year	(1.15)	(0.38)
	Reclassification	(0.48)	-
	Closing balance	**(3.54)**	**(1.91)**
	Net book value	**18.10**	**16.33**
	Information regarding income and expenditure of investment properties:		
(i)	**Amounts recognised in profit or loss for investment properties**		
	Rental income including contingent rent of ₹ 0.03 Crores (Previous year ₹ 0.03 Crores)	2.65	3.06
	Direct operating expenses from property that generated rental income	0.60	0.63
	Direct operating expenses from property that did not generate rental income	0.06	-
	Income from investment properties before depreciation	**1.99**	**2.43**
	Depreciation	1.15	0.38
	Income from investment properties	**0.84**	**2.05**
(ii)	**Leasing arrangements**		
	Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:		
	Within one year	1.40	0.25
	Later than one year but not later than 5 years	-	0.10
	Later than 5 years	-	-
		1.40	**0.35**
(iii)	**Fair value**		
	Investment properties	138.29	61.64

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Estimation of fair value

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent.

This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

Notes

to the Standalone Financial Statements as at 31st March, 2019

4 Intangible assets

(₹ in Crores)

	Computer Software	Trademarks	Total
Cost			
Balance as at 1st April, 2017	9.99	0.02	10.01
Additions	2.02	-	2.02
Adjustment	(0.04)	-	(0.04)
Balance as at 31st March, 2018	**12.05**	**0.02**	**12.07**
Additions	6.79	-	6.79
Disposals	0.37	-	0.37
Balance as at 31st March, 2019	**18.47**	**0.02**	**18.49**
Amortisation			
Balance as at 1st April, 2017	3.64	0.01	3.65
Charge for the year	2.17	-	2.17
Adjustment	(0.05)	-	(0.05)
Balance as at 31st March, 2018	**5.86**	**0.01**	**5.87**
Charge for the year	2.63	-	2.63
Disposals	0.28	-	0.28
Balance as at 31st March, 2019	**8.21**	**0.01**	**8.22**
Net book value			
Balance as at 31st March, 2018	**6.19**	**0.01**	**6.20**
Balance as at 31st March, 2019	**10.26**	**0.01**	**10.27**

5 Investments in subsidiaries

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Unquoted equity shares		
i. Equity instruments at cost		
37,999,99 (31st March, 2018: 2,000,000) shares of Align Retail Trades Private Limited (equity shares of ₹ 10 each)	34.34	2.00
10,000 (31st March, 2018: 10,000) shares of Avenue Food Plaza Private Limited (equity shares of ₹ 10 each)	0.01	0.01
90,000 (31st March, 2018: 90,000) shares of Nahar Seth Jogani Developers Private Limited (equity shares of ₹ 10 each)	0.09	0.09
100,000 (31st March, 2018: Nil) shares of Reflect Wholesale Retail Private Limited (equity shares of ₹ 10 each)	0.10	-
159,087,291 (31st March, 2018: 117,598,330) shares of Avenue E-commerce Limited (equity shares of ₹ 10 each)	177.46	127.40
Total	**212.00**	**129.50**
Aggregate amount of unquoted investments	212.00	129.50
Aggregate amount of impairment in the value of investment	-	-
Non-current	212.00	129.50

Notes

to the Standalone Financial Statements as at 31st March, 2019

6 Other non-current financial assets

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Rent deposits given		
- Related parties (Refer Note: 33)	7.53	8.37
- Others	6.08	22.03
Other deposits	21.28	16.59
Margin money deposits with banks (held as lien by bank against bank guarantees)	0.97	0.82
Long term deposits with banks with maturity period more than 12 months (Provided as security for various regulatory registrations)	0.17	0.17
Current tax assets (net)	0.03	0.09
Total	**36.06**	**48.07**

The above non-current financial assets are carried at amortised cost.

7 Other non-current assets

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Capital advances	89.24	85.26
Prepaid Expenses	20.44	-
Total	**109.68**	**85.26**

8 Inventories

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Stock-in-trade (at lower of cost and net relisable value)	1,576.22	1,147.04
Total	**1,576.22**	**1,147.04**

9 Current investments

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Investment in mutual funds		
Unquoted		
HDFC Liquid Fund - Growth	-	33.93
ICICI Prudential Mutual Fund - Growth	-	17.78
Total	**-**	**51.71**
Aggregate amount of unquoted investments	**-**	**51.71**
Aggregate amount of impairment in the value of investment	-	-

Notes

to the Standalone Financial Statements as at 31st March, 2019

10 Trade receivables

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Considered good		
Unsecured		
Related parties (Refer Note: 33)	11.19	-
Other than related parties	64.33	33.36
Total	**75.52**	**33.36**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally received within the credit period.

11 Cash and cash equivalents

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Balances with Banks - In current accounts	59.32	51.14
Cash on hand	60.91	12.91
Total	**120.23**	**64.05**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Total cash and cash equivalents	120.23	64.05
Less: Overdrawn bank balances (Refer Note: 22)	(0.12)	(0.04)
Cash and cash Equivalents for cash flow purpose	**120.11**	**64.01**

12 Bank balances other than cash and cash equivalents

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Margin money deposits with bank (held as lien by bank against guarantees)	0.74	0.69
IPO proceeds pending utilisation (Refer Note: 15)		
Current accounts (escrow)	7.58	6.72
Fixed deposits	85.00	485.00
Total	**93.32**	**492.41**

Notes

to the Standalone Financial Statements as at 31st March, 2019

13 Other current financial assets

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Rent deposits given		
- Others	2.98	-
Advances recoverable in cash or in kind or in value to be received		
- Related parties (Refer Note: 33)*	0.73	0.44
- others	51.24	60.35
Interest receivable		
- Related parties (Refer Note: 33)	-	0.62
- other deposits	2.82	15.58
Loans to employees	1.41	1.38
Total	**59.18**	**78.37**
The above current financial assets are carried at amortised cost.		
* Maximum amount outstanding during the year	0.73	1.66

14 Other current assets

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Prepaid expenses	6.61	4.32
Advances to suppliers	82.98	43.97
Advances to subsidiary companies (Refer Note: 33)*	-	16.00
Balance with government authorities	8.18	12.26
Others	6.81	2.92
Total	**104.58**	**79.47**
The above current assets are carried at amortised cost.		
* Maximum amount outstanding during the year	28.62	28.63

Notes

to the Standalone Financial Statements as at 31st March, 2019

15 Equity share capital

(₹ in Crores)

		As at 31st March, 2019	As at 31st March, 2018
A.	**Authorised**		
	750,000,000 [31st March, 2018: 750,000,000] equity Shares of ₹ 10 each	750.00	750.00
	Issued, subscribed and fully paid up		
	624,084,486 [31st March, 2018: 624,084,486] equity Shares of ₹ 10 each	624.08	624.08
Total		**624.08**	**624.08**

Notes:

a) **Reconciliation of number of shares**

Balance at the beginning of the year		
No. of shares	624,084,486	624,084,486
Amount in ₹ Crores	624.08	624.08
Issued, subscribed and paid up during the year		
No. of shares	-	-
Amount in ₹ Crores	-	-
Balance at the end of the year		
No. of shares	624,084,486	624,084,486
Amount in ₹ Crores	624.08	624.08

In March 2017, the Company had completed the Initial Public offering (IPO) of fresh issue of 62,541,806 equity shares of ₹ 10 each at an issue price of ₹ 299 per share. The equity shares of the Company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f. 21st March, 2017.

Utilisation of IPO proceeds are as follows:-

(₹ in Crores)

Particulars	Planned as per Prospectus	Utilisation upto 31st March, 2019	Balance as at 31st March, 2019
Towards repayment/ payment of NCDs/ term loans	1,080.00	1,034.00	46.00
Construction and purchase of fit outs for new stores	366.60	320.03	46.57
Towards general corporate purpose (including transaction cost of IPO)	423.40	423.39	0.01
Total	**1,870.00**	**1,777.42**	**92.58**

Expenses incurred by the Company aggregating to ₹ 29.38 Crores, in connection with IPO have been adjusted towards securities premium in March 2017.

b) **Terms and rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company if declares dividend would pay dividend in Indian rupees. The dividend if proposed by the Board of Directors would be subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes

to the Standalone Financial Statements as at 31st March, 2019

c) Shares reserved for issue under option

Information relating to Avenue Supermarts limited Employee Stock Option Scheme, 2016, including details of option granted, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note 44.

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2019	As at 31st March, 2018
Mr. Radhakishan S. Damani	239,689,156	245,930,000
- % holding of shares	38.41%	39.41%
Mr. Gopikishan S. Damani	50,980,000	50,980,000
- % holding of shares	8.17%	8.17%
Bright Star Investments Private Limited	88,750,000	88,750,000
- % holding of shares	14.22%	14.22%

16 Other equity

(₹ in Crores)

		As at 31st March, 2019	As at 31st March, 2018
(a)	**Securities premium**		
	Opening balance	1,809.77	1,809.77
	Closing balance	**1,809.77**	**1,809.77**
(b)	**Debenture Redemption Reserve**		
	Opening balance	86.95	124.72
	Appropriations/reversal during the year	(27.30)	(37.77)
	Closing balance	**59.65**	**86.95**
(c)	**Share Options Outstanding Account**		
	Opening balance	22.67	1.16
	Share option expense	16.69	21.51
	Closing balance	**39.36**	**22.67**
(d)	**Retained earnings**		
	Opening balance	2,099.24	1,277.31
	Profit for the year	936.35	784.68
	Items of other comprehensive income recognised directly in retained earnings		
	- Remeasurements of post-employment benefit obligation, net of tax	(1.27)	(0.52)
	Transfer from debenture redemption reserve	27.30	37.77
	Closing balance	**3,061.62**	**2,099.24**
	Total other equity	**4,970.40**	**4,018.63**

Notes

to the Standalone Financial Statements as at 31st March, 2019

17 Non-current borrowings

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Secured		
Term loans from banks	150.00	16.00
Less: Current maturities disclosed in other current financial liabilities (Refer Note: 22)	(58.33)	(16.00)
	91.67	**-**
Non-convertible debentures	246.00	416.00
Less: Current maturities disclosed in other current financial liabilities (Refer Note: 22)	(212.00)	(170.00)
	34.00	**246.00**
Total secured loans	**125.67**	**246.00**

Nature of security and terms of repayment for borrowings:

Sr. No.	Nature of Security	Terms of Payment
1	Terms loan are secured by way of mortgage of various stores properties to the banks.	Repayment in 6 equal quarterly installments starting after 6 month moratorium. Last installment due in March, 2021. Rate of interest is ranging between 8.13% to 8.64% p.a. as at the year end.
2	The term loans from bank of ₹ Nil (31st March, 2018: ₹ 16.00 Crores) was further secured by way of personal guarantees given by the promoters.	
3	Non-convertible debentures (NCD) are secured by way of mortgage of specific stores properties to the Debenture Trustee.	NCD for ₹ 246 Crores is repayable in 1 to 2 annual installments. Last installments are due in August 2020. Rate of interest is ranging between 9.10% to 10.38% p.a. as at the year end.

18 Other non-current financial liabilities

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Other non-current financial liabilities at amortised cost		
Rent deposits taken	0.78	0.78
Total	**0.78**	**0.78**

The above non-current financial liabilities are carried at amortised cost.

19 Deferred tax liabilities (net)

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax liability on account of:		
- Depreciation	67.54	56.84
Deferred Tax Assets on account of:		
- Employee benefits	3.47	10.54
Deferred tax liabilities (net)	**64.07**	**46.30**

Notes

to the Standalone Financial Statements as at 31st March, 2019

Movements in deferred tax liabilities and deferred tax assets

(₹ in Crores)

	Property plant and equipment	Employee benefits	Total
At 1st April, 2017	**53.66**	**(1.92)**	**51.74**
Charged/(credited) to			
Profit and loss	3.18	(8.62)	(5.44)
At 31st March 2018	**56.84**	**(10.54)**	**46.30**
Charged / (credited) to			
Profit and loss	10.70	7.07	17.77
At 31st March 2019	**67.54**	**(3.47)**	**64.07**

20 Current borrowings

(₹ in Crores)

		As at 31st March, 2019	As at 31st March, 2018
A.	**Secured**		
	(a) Working capital loans from banks (Payable on demand)	2.70	7.25
	(Working capital loan from banks are secured by hypothecation of inventories, trade receivables, both present and future)		
	(b) Term loans from bank	50.00	-
	(Short term loan from bank to be secured by way of mortgage of various store properties to the bank within four months from the first date of disbursement.)		
B.	**Unsecured**		
	(a) By issue of commercial papers	246.45	-
	Total	**299.15**	**7.25**

At 31st March 2019, the Company had available ₹ 654.28 Crores (31st March, 2018: ₹ 171.51 Crores) of undrawn committed borrowing facilities.

Working capital loan from bank of ₹ Nil (31st March, 2018: ₹ 7.25 Crores) was further secured by way of personal guarantees given by the promoters.

21 Trade payables

(₹ in Crores)

		As at 31st March, 2019	As at 31st March, 2018
	Trade payables		
	Amounts payable to related parties (Refer Note: 33)	14.50	8.35
	Others	443.78	307.52
	Total	**458.28**	**315.87**
(a)	**Dues to micro and small enterprises (Refer Note: 35)**		
	The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.		
	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	5.44	1.17

Notes
to the Standalone Financial Statements as at 31st March, 2019

22 Other current financial liabilities

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Other financial liabilities measured at amortised cost:		
Current maturities of term loans (Refer Note: 17)	58.33	16.00
Current maturities of debentures (Refer Note: 17)	212.00	170.00
Interest accrued but not due on borrowings	12.03	16.75
Escrow deposits received*	11.27	41.48
Overdrawn bank balances	0.12	0.04
Salary and wages payable	31.51	26.90
Capital creditors	68.56	31.17
Current tax liabilities (Net)	26.72	28.11
Total	**420.54**	**330.45**

* Escrow deposits represents amount received for any possible claims that may arise in future in respect of certain properties.

23 Other current liabilities

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Statutory dues	21.47	10.61
Other payables	0.10	0.64
Other payables - Related Party (Refer Note: 33)	0.36	0.01
Total	**21.93**	**11.26**

24 Provisions

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits		
Gratuity (Refer Note: 45)	2.01	3.40
Leave entitlement	10.66	8.45
Total	**12.67**	**11.85**

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

25 Revenue from operations

(₹ in Crores)

	31st March, 2019	31st March, 2018
Sale of goods	21,816.38	16,436.06
Sale of goods on approval basis	75.27	82.51
Less: Cost of goods sold on approval basis	(63.67)	(72.03)
	21,827.98	**16,446.54**
Less: Tax	(1,946.43)	(1,471.89)
Other operating income	34.70	34.24
Total	19,916.25	15,008.89

26 Other income

(₹ in Crores)

	31st March, 2019	31st March, 2018
Interest on deposits and advances	25.84	46.26
Rent and amenities service income	5.72	5.97
Gain on sale of current investment	10.08	16.42
Gain on sale/discardment of property, plant and equipment (net)	1.01	3.00
Exchange gain (net)	5.98	-
Miscellaneous income	2.78	0.99
Total	**51.41**	**72.64**

27 Changes in inventories of stock-in-trade

(₹ in Crores)

	31st March, 2019	31st March, 2018
Closing stock	1,576.22	1,147.04
Opening stock	1,147.04	933.16
Total	**(429.18)**	**(213.88)**

28 Employee benefits expenses

(₹ in Crores)

	31st March, 2019	31st March, 2018
Salaries, allowances and others	276.73	224.11
Expense on employee stock option scheme (Refer Note: 44)	16.61	21.23
Contribution to provident fund and other funds	16.90	14.25
Employee welfare expenses	24.79	16.97
Total	**335.03**	**276.56**

29 Finance costs

(₹ in Crores)

	31st March, 2019	31st March, 2018
Interest on term loans from banks	0.85	7.33
Interest on non-convertible debentures	34.01	46.72
Interest others	11.87	1.82
	46.73	55.87
Finance charges	0.42	3.54
Total	**47.15**	**59.41**

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

30 Depreciation and amortisation expense

(₹ in Crores)

	31st March, 2019	31st March, 2018
Depreciation/amortisation on:		
- Tangible assets (Refer Note: 2)	195.54	152.82
- Intangible assets (Refer Note: 4)	2.63	2.17
- Investment property (Refer Note: 3)	1.15	0.38
	199.32	155.37
Less: Capitalised	(0.52)	(0.72)
Total	**198.80**	**154.65**

31 Other expenses

(₹ in Crores)

	31st March, 2019	31st March, 2018
Contract labour charges	404.26	316.06
Rent (Refer Note: 36)	65.64	47.58
Electricity and fuel charges	150.20	120.13
Insurance	5.18	4.20
Rates and taxes	18.90	14.53
Repairs and maintenance:		
- Building	24.16	15.23
- Plant and machinery	28.30	20.46
- Others	15.73	12.63
Legal and professional fees	10.69	9.56
Travelling and conveyance	22.36	17.01
Directors fees	0.75	0.55
Payment to auditors		
- Audit fees	0.35	0.31
- Other services	0.11	0.15
- Reimbursement of expenses	0.01	0.01
Miscellaneous expenses	195.91	157.11
Expenditure towards corporate social responsibility (CSR) activities (Refer Note: 38)	16.55	10.60
Total	**959.10**	**746.12**

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

32 Income tax expenses

(₹ in Crores)

		31st March, 2019	31st March, 2018
Tax expense recognised in the statement of Profit and Loss			
(a)	Income tax expense		
	Current tax		
	Current tax on profits for the year recognised in statement of profit and loss	501.21	417.17
	Current tax on Re-measurements gains/(loss) on defined benefit plans recognised in OCI	(0.68)	(0.28)
	Adjustments for current tax of prior periods	(7.69)	(0.49)
	Total current tax expense	**492.84**	**416.40**
	Deferred tax		
	(Decrease) increase in deferred tax		
	Total deferred tax expense/(benefit)	17.77	(5.45)
	Income tax expense	**510.61**	**410.95**
(b)	**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:**		
	Accounting profit before tax	1,447.64	1,195.91
	Tax calculated at tax rates applicable to profit @ 34.944% (PY 34.61%)	505.86	413.90
	Permanent differences due to:		
	Donation	0.39	0.02
	Deductions taken for 80E and others	(2.79)	-
	Corporate social responsibility	5.78	3.22
	Interest on income tax	0.08	0.41
	Fines and penalty	0.04	0.00
	Deduction from income from house property	(0.50)	(0.38)
	Impact of increase of tax rate on Def tax of PY	0.45	-
	Others	1.30	(5.74)
	Adjustments for current tax of prior periods	-	(0.49)
	Profit on sale of investment exempt		
	Income tax recognised in the statement of profit and loss and OCI	**510.61**	**410.95**

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

33 Related party transactions

		Ownership interest	
		31st March, 2019	31st March, 2018
(i)	**Subsidiary companies:**		
	Avenue Food Plaza Private Limited	100.00	100.00
	Align Retail Trades Private Limited	100.00	100.00
	Nahar Seth & Jogani Developers Private Limited	90.00	90.00
	Avenue E-Commerce Limited (w.e.f. 1st February, 2018)	99.75	99.66
	Reflect Wholesale and Retail Private Limited (w.e.f. 28th May, 2018)	100.00	-
(ii)	**Associate enterprises**		
	Avenue E-Commerce Limited (till 31st January, 2018)	-	49.21
(iii)	**Shareholders who exercise control:**		
	Mr. Radhakishan Damani		
	Mr. Gopikishan Damani		
	Mrs. Shrikantadevi Damani		
	Mrs. Kirandevi Damani		
	Bright Star Investments Private Limited		
(iv)	**Directors and Key managerial personnel:**		
	Mr. Ignatius Navil Noronha (Managing Director and Chief Executive Officer)		
	Mr. Ramakant Baheti (Whole-time Director and Group Chief Financial Officer)		
	Mr. Elvin Machado (Executive Director)		
	Mrs. Manjri Chandak (Non-Executive Director)		
	Mr. Ramesh Damani (Chairman and Independent Director)		
	Mr. Chandrashekhar B. Bhave (Independent Director)		
	Ms. Kalpana Unadkat (Independent Director)		
	Mr. Niladri Deb (Chief Financial Officer)		
	Mrs. Ashu Gupta (Company Secretary)		
(v)	**Entities over which parties listed in (iii) and (iv) above exercise control/significant influence and transactions have taken place with them during the year**		
	7 Apple Hotels Private Limited		
	Bombay Swadeshi Stores Limited		
	Derive Trading and Resorts Private Limited		
	Damani Estates and Finance Private Limited		
	Boutique Hotels India Private Limited		
(vi)	**Trust:**		
	Avenue Supermarts Limited Employees Group Gratuity Trust		

(b) Transaction with related parties

(₹ in Crores)

	31st March, 2019	31st March, 2018
Remuneration to Directors	6.32	6.29
Sitting fees to Directors	0.22	0.15
Commission to Independent Directors	0.53	0.40
Mentor fees	₹ 1	₹ 1
Align Retail Trades Private Limited		
Purchase of goods	918.34	700.60
Rent and amenities service income	-	0.01
Business support service income	0.05	0.05
Interest on advance given	1.72	2.81
ESOP expenses reimbursement	0.21	0.29
Reimbursement of expenses	-	0.57

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

(₹ in Crores)

	31st March, 2019	31st March, 2018
Balances as at:		
Trade payables	14.50	8.30
Advances given	-	16.00
Interest receivable	-	0.62
Other receivables	0.24	0.33
Investment in share capital	34.34	2.00
Avenue Food Plaza Private Limited		
Rent and amenities service income	1.18	0.90
Balances as at:		
Other receivables	0.44	0.10
Investment in share capital	0.01	0.01
Nahar Seth & Jogani Developers Private Limited		
Rent expenses	0.75	0.75
Balances as at:		
Rent deposits given	7.53	8.37
Prepaid rent	0.84	-
Investment in share capital	0.09	0.09
Avenue E-Commerce Ltd.		
Sales	80.68	25.34
Sale of Assets	0.18	
Purchase of Assets	0.17	
Business support service income	0.89	0.72
ESOP expenses provided	0.14	0.01
Reimbursement of Income	2.12	-
Balances as at:		
Trade payables	-	0.05
Other payables	0.36	0.01
Trade receivables	11.19	-
Other receivables	0.05	
Investment in share capital	177.46	127.40
Reflect Wholesale and Retail Private Limited (w.e.f. 28th May, 2018)		
Investment in share capital	0.10	-
7 Apple Hotels Private Limited		
Rent and amenities service income	0.99	0.87
Employee Welfare Expenses	0.10	0.17
Reimbursement of expenses	0.30	-
Balances as at:		
Other receivables (Electricity reimbursement)	0.02	-
Other payables	0.01	0.01
Bombay Swadeshi Stores Limited		
Rent and amenities service income	0.18	0.27
Reimbursement of expenses (electricity)	0.01	-
Derive Trading and Resorts Private Limited		
Employee welfare expenses	0.15	0.17
Balances as at:		
Other payables	-	0.11
Damani Estates and Finance Private Limited		
Reimbursement of expenses	-	0.02
Boutique Hotels India Private Limited		
Employee welfare expenses	-	0.38
Avenue Supermarts Limited Employees Group Gratuity Trust		
Contribution to trust	6.40	2.79

Note: Compensation to Directors of the Company:

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(₹ in Crores)

	31st March, 2019	31st March, 2018
Short-term employment benefits	6.08	5.84
Post employment benefits	0.23	0.45
Sitting fees	0.22	0.15
Commission to Independent Directors	0.53	0.40

The aforesaid amount does not include amount in respect of gratuity and leave as the same in not determinable.

Guarantees taken by the Company from related parties:

(₹ in Crores)

	31st March, 2019	31st March, 2018
Secured loans (Amount outstanding) (Personal guarantees of Mr. Radhakishan Damani and Mr. Gopikishan Damani)	-	23.29

Guarantees given by the Company on related parties:

(₹ in Crores)

	31st March, 2019	31st March, 2018
Secured loans (Guarantee given by ASL for ARTL)	50.00	16.00

34 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Crores)

	31st March, 2019	31st March, 2018
Current assets		
Trade receivables	75.52	33.36
Inventories	1,576.22	1,147.04
Total current assets pledged as security	**1,651.74**	**1,180.40**
Non-current assets		
First charge		
Land	45.94	69.94
Building	161.92	219.10
Total non-current assets pledged as security	**207.86**	**289.04**
Total assets pledged as security	**1,859.60**	**1,469.44**

35 MSME disclosure

The details of amounts outstanding to Micro and Small enterprises under the Micro and Small Enterprises Development Act, 2006 (MSED Act), based on the available information with the Company are as under:

(₹ in Crores)

		31st March, 2019	31st March, 2018
1	Principal amount not due and remaining unpaid	5.30	1.12
2	Principal amount due and remaining unpaid	0.14	0.05
3	Interest due on (1) above and the unpaid interest	-	-
4	Interest due and payable for the period of delay other than (3) above	-	-

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36 Lease disclosure

The Company has entered into agreements for taking on lease certain office/store premises, warehouses. The lease term is for period ranging from 1 year to 30 years.

Premises taken on operating lease:

(₹ in Crores)

	31st March, 2019	31st March, 2018
Lease rent expenses recognised in the statement of Profit and Loss account	65.64	47.58
The total future minimum lease rent payable for the non cancellable period of lease at the Balance Sheet date:		
- For a period not later than one year	77.02	57.00
- For a period later than one year and not later than 5 years	216.21	158.21
- For a period later than five years	14.84	14.42

The initial non-cancellable period of lease contracts have been taken for the disclosure above.

37 Contingent liabilities and commitments

(a) Contingent liabilities

Claims against the Company not acknowledged as debts

(₹ in Crores)

	31st March, 2019	31st March, 2018
Income tax matters	0.03	0.11
Indirect tax matters	4.33	4.06
Corporate Guarantee	50.00	16.00

It is not practicable for the Company to estimate the timings of cash outflows if any in respect of above pending resolutions of the respective proceedings.

The Company has reviewed all its pending litigation and proceedings and has adequately provided for where provisions are required and disclosed in contingent liabilities where applicable in it's financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on it's financial results.

The Company has process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, Company has reviewed and ensured that adequate provision as required under any law/accounting standard for material forseeable losses on such long-term contracts has been made in the books of accounts.

The Company is in the process of assessing retrospective applicability of the recent Supreme Court judgement on definition of basic wages for PF contributions. In absence of clarity, the Company has not made any provisions for retrospective application of the said SC ruling.

(b) Capital commitments

(₹ in Crores)

	31st March, 2019	31st March, 2018
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) relating to stores under construction	1,529.22	1,096.25

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38 Expenditure towards corporate social responsibility (CSR) activities

(₹ in Crores)

	31st March, 2019	31st March, 2018
Amount required to be spent as per Section 135 of the Act	16.40	10.50
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	16.55	10.60
Total	**16.55**	**10.60**

Amount spent during the year for corporate social responsibility (CSR) activities are in cash.

39 Segment information

The Company's business activity falls within a single primary business segment of retail and one reportable geographical segment which is "within India". Accordingly, the Company is a single segment company in accordance with Indian Accounting Standard 108 "Operating Segment".

40 The Company has not entered into any derivative transaction during the year. Unhedged foreign currency exposure at the end of the year is NIL.

41 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation:

	31st March, 2019	31st March, 2018
Earnings per share has been computed as under:		
Profit for the year as per statement of Profit and Loss (₹ in Crores):	936.35	784.68
Weighted average number of equity shares outstanding for basic EPS	624,084,486	624,084,486
Add: Weighted average number of potential equity shares on account of employee stock option schemes	8,972,124	7,999,253
Weighted average number of equity shares outstanding for dilutive EPS	**633,056,610**	**632,083,739**
Earnings Per Share (₹) - Basic (Face value of ₹ 10 per share)	15.00	12.57
Earnings Per Share (₹) - Diluted (Face value of ₹ 10 per share)	14.79	12.41

42 (a) Capital risk management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective is to maximise the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants. The Company has raised capital by issue of equity shares through an IPO in the previous year ended 31st March, 2017. Certain proceeds from the IPO have been used for repayment of borrowings which have significantly reduced the Company's borrowings.

The capital structure is governed by policies approved by the Board of Directors and is monitored by various matrices funding requirements are reviewed periodically.

(b) Dividends

The Company has not paid any dividend since its incorporation.

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to the Standalone Financial Statements for the year ended 31st March, 2019

43 Fair values and fair value hierarchy

The carrying amounts of trade receivables, cash and cash equivalents, bank balance other than cash and cash equivalents, other financial assets, trade payables, capital creditors are considered to be same as their fair values, due to their short-term nature.

The carrying value of borrowings, deposits given and taken and other financial assets and liabilities are considered to be reasonably same as their fair values. These are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobseravable inputs including counter party credit risk.

44 Share-based payments

Employee stock option plan

During the year ended 31st March, 2017, the Company had instituted an Avenue Supermarts Limited Employee Stock Option Scheme, 2016 ("the Scheme") as approved by the Board of Directors dated 23rd July, 2016 for issuance of stock option to eligible employee of the Company and of its subsidiaries.

Pursuant to the said scheme, Stock options convertible into Nil (Previous year: Nil) equity shares of ₹ 10 each were granted to eligible employee at an exercise prices of ₹ 299/- being price at which fresh issue of shares made in initial public offer (IPO).

Subject to terms and condition of the scheme, options are classified into three categories.

	Option A	Option B	Option C
No. of options	2,772,525	5,001,075	6,199,725
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	9 years	6 years	2.5 years
Grant date	14th March, 2017	14th March, 2017	14th March, 2017
Exercise/Expiry date	13th March, 2026	13th March, 2023	13th September, 2019
Grant/Exercise price	₹ 299.00	₹ 299.00	₹ 299.00
Method of settlement	Equity - settled	Equity - settled	Equity - settled

Exercise period, would commence from the date of options are vested and will expire at the end of three months from the date of vesting.

Movement of options granted

	31st March, 2019		31st March, 2018	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	299.00	12,990,975	299.00	13,889,025
Granted during the year	299.00	-	299.00	-
Exercised during the year	299.00	-	299.00	-
Forfeited during the year	299.00	743,100	299.00	896,850
Vested		14,400		1,200
Closing balance		**12,233,475**		**12,990,975**

The model inputs for fair value of option granted as on the grant date:

Inputs	Option A	Option B	Option C
Exercise price	₹ 299.00	₹ 299.00	₹ 299.00
Dividend yield	0%	0%	0%
Risk free interest rate	6.98%	7.24%	6.77%
Expected volatility	14.22%	14.22%	14.22%
Fair value per option	₹ 144.94	₹ 112.93	₹ 58.63
Model used	Black Scholes	Black Scholes	Black Scholes

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

Expense arising from equity settled share based payments transactions:

(₹ in Crores)

	31st March, 2019	31st March, 2018
Total ESOP expenditure	16.69	21.51
Less: Recovered from subsidiaries	(0.21)	(0.29)
Add: Payable to subsidiary	0.14	0.01
Recognised in the statement of profit or loss	**16.61**	**21.23**

45 As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

Defined Benefit Plan

The Company operates a gratuity plan wherein every employees entitled to the benefit equivalent to fifteen days salary last drawn for each year of service. The same is payable on termination of sevice or retirement whichever is earlier. The benefit vest after five years of continuous service. The gratuity paid is governed by The Payment of Gratuity Act,1972. The Company contibutes to the fund based on actuarial report details of which is available in the table of investment pattern of plan asset, based on which the Company is not exposed to market risk. The following table summarises the component of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for respective period.

1 **Change in the present value of defined benefit obligation are as follows**

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Present value of benefit obligation at the beginning of the year	14.35	10.53
Interest cost	1.10	0.72
Current service cost	3.20	2.54
Past service cost	-	0.44
Benefit paid directly by the employer	(0.40)	(0.56)
Benefit paid from the fund	(0.14)	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.48	(0.70)
Actuarial (gains)/losses on obligations - due to experience	1.85	1.38
Present value of benefit obligation at the end of the year	**20.44**	**14.35**

2 **Change in fair value of plan assets:**

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Fair value of plan assets at the beginning of the year	10.95	7.75
Interest income	0.84	0.52
Contributions by the employer	6.40	2.79
Benefit paid from the fund	(0.14)	-
Return on plan assets, excluding interest income	0.38	(0.11)
Fair value of plan assets at the end of the year	**18.43**	**10.95**

3 **Change in fair value of assets and obligations:**

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Present value of benefit obligation at the end of the year	(20.44)	(14.35)
Fair value of plan assets at the end of the year	18.43	10.95
Funded status (surplus/ (deficit))	**(2.01)**	**(3.40)**
Current liability	(2.01)	(3.40)
Net liability	**(2.01)**	**(3.40)**

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

4 **Net benefit expenses recognised during the year:**

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
In the statement of Profit and Loss		
Current service cost	3.20	2.54
Net interest cost	0.26	0.18
Past service cost	-	0.44
Net cost	**3.46**	**3.16**
In other comprehensive income		
Actuarial (gains)/losses on obligation for the year	2.33	0.69
Return on plan assets, excluding interest income	(0.38)	0.11
Net (income)/expense for the year recognised in OCI	**1.95**	**0.80**

5 All investment of plan asset are done in M/s Avenue Supermarts Limited Employees Group Gratuity Trust which is governed by Board of Trustees.

6 **The principal assumptions in determining gratuity defined benefit obligation for the Company are as follows**

	As at 31st March, 2019	As at 31st March, 2018
Expected return on plan assets	7.22%	7.65%
Rate of discounting	7.22%	7.65%
Rate of salary increase	8.00%	8.00%
Rate of employee turnover	15.00%	15.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

7 **The expected contributions for defined benefit plan for the future years is as follows:**

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Projected benefits payable in future years from the date of reporting		
1st following year	2.13	1.57
2nd following year	2.27	1.62
3rd following year	2.40	1.68
4th following year	2.60	1.74
5th following year	2.39	1.82
Sum of years 6 to 10	9.32	6.78
Sum of years 11 and above	13.10	9.41

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to the Standalone Financial Statements for the year ended 31st March, 2019

8 **Sensitivity analysis:**

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Projected benefit obligation on current assumptions	20.44	14.35
Delta effect of +1% change in rate of discounting	(1.09)	(0.75)
Delta effect of -1% change in rate of discounting	1.22	0.84
Delta effect of +1% change in rate of salary increase	1.15	0.80
Delta effect of -1% change in rate of salary increase	(1.05)	(0.73)
Delta effect of +1% change in rate of employee turnover	(0.19)	(0.12)
Delta effect of -1% change in rate of employee turnover	0.20	0.12

There has been no change from the previous year in the method and assumptions used in perparing the sensitivity analysis.

These plans typically exposed the Company to acturial risks such as Interest risk, salary risk, investment risk, asset liability matching risk and mortality risk.

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

46 Financial risk management

Financial risk management objectives and policies

The Company's financial principal liabilities comprises borrowings, trade payables and other payables. The main purpose of these financial liabilities to finance the Company operation. The Company's main financial assets includes trade and other receivable, cash and cash equivalent, other bank balances derived from its operations.

In addition to risks inherent to our operations, we are exposed to certain market risks including change in interest rates and fluctuation in currency exchange rates.

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to the Standalone Financial Statements for the year ended 31st March, 2019

A) Market Rate Risk

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rate.

The Company's exposure to the risk of changes in market interest rates relates to primarily to company's borrowing with floating interest rates. The Company's fixed rates of borrowing are carried at amortised cost. They are not subject to interest rate risk as defined in Ind AS 107, since neither carrying amount not the future cash flows will fluctuate because of a change in market interest rate. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to interest rate risk

(₹ in Crores)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Borrowings bearing variable rate of interest	152.70	7.25

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on affected portion of loans and borrowings taken at floating rates. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowing as follows:

A change of 50 bps (basis points) in interest rates would have following Impact on profit before tax

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
50 bp increase – decrease in profits	(0.76)	(0.04)
50 bp decrease – Increase in profits	0.76	0.04

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivable) and from its financial activities including deposits with banks and financial institution.

Credit risk from balances with banks is managed by the Company's treasury department in accordance with Company's policy.

Since company operates on business model of primarily cash and carry, credit risk from receivable perspective is insignificant.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. Processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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to the Standalone Financial Statements for the year ended 31st March, 2019

Maturity patterns of borrowings

(₹ in Crores)

	As at 31st March, 2019			
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (including current maturity of long-term debt)	270.33	125.67	-	396.00
Short-term borrowings	299.15	-	-	299.15
Expected interest payable	37.24	6.79	-	44.03
Total	**606.72**	**132.46**	**-**	**739.18**

(₹ in Crores)

	As at 31st March, 2018			
	0-1 years	1-5 years	beyond 5 years	Total
Long-term borrowings (including current maturity of long-term debt)	186.00	246.00	-	432.00
Short-term borrowings	7.25	-	-	7.25
Expected interest payable	39.15	28.17	-	67.32
Total	**232.40**	**274.17**	**-**	**506.57**

Maturity patterns of other financial liabilities

(₹ in Crores)

As at 31st March, 2019	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade payable	458.28	-	-	-	-	458.28
Payable related to capital goods	68.56	-	-	-	-	68.56
Other financial liabilities (current and non-current)	81.65	-	-	-	0.78	82.43
Total	**608.49**	**-**	**-**	**-**	**0.78**	**609.27**

(₹ in Crores)

As at 31st March, 2018	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade payable	315.87	-	-	-	-	315.87
Payable related to capital goods	31.17	-	-	-	-	31.17
Other financial liabilities (current and non-current)	113.28	-	-	-	0.78	114.06
Total	**460.32**	**-**	**-**	**-**	**0.78**	**461.10**

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to the Standalone Financial Statements for the year ended 31st March, 2019

47 Events after the reporting period

The Company has evaluated subsequent events from the balance sheet date through 11th May, 2019, the date at which the financial statements were available to be issued, and determined that there are no material items to disclose other than those disclosed above.

48 Ind AS issued and effective from current year

Ind AS 115: Revenue from Contracts with Customers

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1st April, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1st April, 2018.

The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.

1. Disaggregated revenue information:

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in Crores)

	31st March, 2019	31st March, 2018
Type of goods or service		
Sale of goods	21,816.38	16,436.06
Sale of goods on approval basis net of COGS	11.60	10.48
Other operating income	34.70	34.24
Tax	(1,946.43)	(1,471.89)
Total revenue from contract with customers	**19,916.25**	**15,008.89**
India	19,916.25	15,008.89
Outside India	-	-
Total revenue from contract with customers	**19,916.25**	**15,008.89**
Timing of revenue recognition		
Goods transferred at a point in time	19,881.55	14,974.65
Services transferred over time (Other operating income)	34.70	34.24
Total revenue from contract with customers	**19,916.25**	**15,008.89**

2. Contract balances:

(₹ in Crores)

	31st March, 2019	31st March, 2018
Trade receivables	75.52	33.36
Contract assets	-	-
Contract liabilities	0.10	0.64

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to the Standalone Financial Statements for the year ended 31st March, 2019

49 Ind AS issued but not effective

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard which the Company intends to adopt, when they become effective.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1st April, 2019, but certain transition reliefs are available. These amendments are not applicable to the Company."

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1st April, 2019. These amendments are not applicable to the Company.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

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to the Standalone Financial Statements for the year ended 31st March, 2019

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1st April, 2019. These amendments are not applicable to the Company.

Amendments to Ind AS 28: Long-term interests in associates and joint ventures
The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests. The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures. The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after 1st April, 2019. Since the Company does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its financial statements.

Annual improvement to Ind AS (2018);
These improvements include:

Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st April, 2019. These amendments are not applicable to the Company.

Amendments to Ind AS 111: Joint Arrangements
A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1st April, 2019. These amendments are not applicable to the Company.

Amendments to Ind AS 12: Income Taxes
The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1st April, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

Amendments to Ind AS 23: Borrowing Costs
The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2019

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1st April, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

Ind AS 116: Leases

Ind AS 116 Leases was notified by MCA on 30th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company will implement Ind AS 116 from 1st April, 2019 by applying the modified retrospective approach, meaning that the comparative figures in the financial statements for the year ending 31st March 2019 will not be restated to show the impact of Ind AS 116.

The operating leases which will be recorded on the balance sheet following implementation of Ind AS 116 are principally in respect of leasehold premises and other identified assets representing right to use as per contracts excluding low value assets and short-term leases of 12 months or less.

The anticipated impact of the standard on the Company is not yet known though is not expected to be material on the income statement or net assets though assets and liabilities will be grossed up for the net present value of the outstanding operating lease liabilities as at 1st April, 2019. See note 36 for information on operating lease commitments.

50. The previous year numbers have been reclassified wherever necessary.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

per Vijay Maniar
Partner
Membership No. 36738

Thane, 11th May, 2019

For and on behalf of Board of Directors of
Avenue Supermarts Limited

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 11th May, 2019

Independent Auditor's Report

To the Members of
Avenue Supermarts Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Avenue Supermarts Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements.

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of impairment of goodwill (as described in note 1.d of the consolidated Ind AS financial statements)	
The Group's balance sheet includes ₹ 78.27 Crores of goodwill, representing 1.12% of total Group assets. In accordance with Ind AS, these balances are allocated to Cash Generating Units (CGUs) which are tested annually for impairment. Management has used external specialist to support the recoverable amounts of its goodwill based on fair market value of equity shares of the subsidiary. We determined this areas as a key audit matter because of the judgemental factors involved in testing for impairment and the significant carrying value of the goodwill.	Our audit procedures in respect of assessment of impairment included the following: • We assessed the Group's valuation methodology applied in determining the fair market value of equity share s. In making this assessment, we evaluated the objectivity and independence of Group's specialists involved in the process; • We involved valuation expert to assist in evaluating the key inputs considered for valuation purpose; • We obtained and read the audited financial statements of the subsidiaries to determine the net worth, cash flows and other financial indicators; • We also assessed the Company's disclosures concerning this in Note 1.d on significant accounting estimates and judgements and Note
Allowance for inventory obsolescence and shrinkage (as described in note 1.k and 1.x of the consolidated Ind AS financial statements)	
As at March 31, 2019, the carrying amount of inventories amounted to ₹ 1,608.65 crore after considering allowances for Inventory obsolescence and shrinkage. These inventor- ies are held at the stores and distribution centres of the Holding Company. Allowance for Inventory obsolescence and shrinkage was an audit focus area because of the assessment process as the inventory cycle counts were carried out during the year and not at the balance sheet date and there is judgement exercised by the Holding Company in identifying the amount of provision for shrinkages and obsolescence.	Our procedures over allowance for inventory obsolescence and shrinkage included the following: • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Holding Company has in relation to allowance for inventory obsolescence and shrinkage; • We performed testing on the Holding Company's controls over the inventory cycle count process. In testing these controls we observed the inventory cycle count process at selected store and distribution centres on a sample basis, inspected the results of the inventory cycle count and confirmed variances were accounted for and approved by management. • Assessed the stock shrinkage provision by assessing the level of inventory write downs during the period and applying the shrinkage rate as determined location wise to the year end stock. We tested on a sample basis the shrinkage rate used to calculate the provision for each store and distribution centre. • We assessed the Company's disclosures concerning this in Note 1.k and 1.x on significant accounting estimates and judgements and Note 8 Inventories to the financial statements

We have determined that there are no other key audit matters to communicate in our report.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the 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 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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 consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose Ind AS financial statements include total assets of ₹ 32.16 as at March 31, 2019, and total revenues of ₹ 24.35 and net cash inflow of ₹ 0.82 crore for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS 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-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, refer to our separate Report in “Annexure 1” to this report;

g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries, to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the ‘Other matter’ paragraph:

i) The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements – Refer Note 38 to the consolidated Ind AS financial statements;

ii) The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries during the year ended March 31, 2019.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar
Partner
Membership Number: 36738

Place of Signature: Mumbai
Date: May 11, 2019

Annexure 1

Audit report on consolidated financial statements for the year ended March 31, 2019

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ABC COMPANY LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Avenue Supermarts Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Avenue Supermarts Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these 3 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar
Partner
Membership Number: 36738

Place of Signature: Mumbai
Date: May 11, 2019

Consolidated Balance Sheet

as at 31st March, 2019

(₹ in Crores)

		Notes	As at 31st March, 2019	As at 31st March, 2018
Assets				
Non-current assets				
(a)	Property, plant and equipment	2	4,274.03	3,276.01
(b)	Capital work-in-progress		376.84	147.07
(c)	Investment properties	3	18.10	16.33
(d)	Goodwill		78.27	78.27
(e)	Intangible assets	4	29.97	29.36
(f)	Financial assets			
	(i) Other non-current financial assets	5	32.38	42.39
(g)	Deferred tax assets (net)	6	0.22	0.13
(h)	Other non-current assets	7	113.33	86.59
			4,923.14	**3,676.15**
Current assets				
(a)	Inventories	8	1,608.65	1,163.45
(b)	Financial assets			
	(i) Investments	9	16.53	68.18
	(ii) Trade receivables	10	64.37	33.52
	(iii) Cash and cash equivalents	11	124.98	67.45
	(iv) Bank balances other than cash and cash equivalents	12	94.09	492.73
	(v) Other current financial assets	13	59.10	77.50
(c)	Other current assets	14	114.86	69.37
			2,082.58	**1,972.20**
Total assets			**7,005.72**	**5,648.35**
Equity and liabilities				
Equity				
a)	Equity share capital	15	624.08	624.08
b)	Other equity	16	4,963.37	4,044.97
Equity attributable to equity holders of the parent			**5,587.45**	**4,669.05**
Non-controlling interest			0.56	0.64
			5,588.01	**4,669.69**
Liabilities				
Non-current liabilities				
(a)	Financial liabilities			
	(i) Borrowings	17	125.67	246.00
	(ii) Other non-current financial liabilities	18	0.78	0.78
(b)	Provisions	19	1.05	0.74
(c)	Deferred tax liabilities (net)	20	63.29	45.18
			190.79	**292.70**
Current liabilities				
(a)	Financial liabilities			
	(i) Borrowings	21	304.15	7.25
	(ii) Trade payables due to:	22		
	Micro and small enterprises		5.44	1.17
	Other than micro and small enterprises		457.83	316.11
	(iii) Other current financial liabilities	23	423.71	336.93
(b)	Other current liabilities	24	22.95	12.50
(c)	Provisions	25	12.84	12.00
			1,226.92	**685.96**
Total equity and liabilities			**7,005.72**	**5,648.35**
Summary of significant accounting policies		1		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

per Vijay Maniar
Partner
Membership No. 36738

Thane, 11th May, 2019

For and on behalf of Board of Directors of Avenue Supermarts Limited

Ignatius Navil Noronha
Managing Director and Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and Group Chief Financial Officer
DIN: 00246480

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 11th May, 2019

DMart

Statement of Consolidated Profit and Loss

for the year ended 31st March, 2019

(₹ in Crores)

	Notes	31st March, 2019	31st March, 2018
Income			
Revenue from operations	26	20,004.52	15,033.20
Other income	27	48.35	69.32
		20,052.87	15,102.52
Expenses			
Purchase of stock-in-trade		17,445.49	12,846.95
Changes in inventories of stock-in-trade	28	(444.65)	(211.31)
Employee benefits expense	29	355.42	282.59
Finance costs	30	47.21	59.54
Depreciation and amortisation expense	31	212.49	159.00
Other expenses	32	1,014.97	762.16
		18,630.93	13,898.93
Profit before share of loss of an associate		1,421.94	1,203.59
Share of Net loss of Associate		-	(20.04)
Gain on fair valuation of pre existing equity interest in an associate (Refer Note: 48)		-	38.52
Profit before tax		1,421.94	1,222.07
Tax expense			
Current tax	33	509.13	421.70
Adjustment of tax related to earlier periods		(7.67)	(0.44)
Deferred tax charge/(credit)		18.02	(5.47)
		519.48	415.79
Profit for the year		902.46	806.28
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurements gains/(loss) on defined benefit plans	46	(1.99)	(0.77)
Less: Income tax effect		0.68	0.27
Net other comprehensive income not to be reclassified to profit or loss in subsequent period		(1.31)	(0.50)
Total Comprehensive Income for the year		901.15	805.78
Profit for the year		902.46	806.28
Attributable to:			
Equity holders of the parent		902.54	806.26
Non-controlling interests		(0.08)	0.02
Total comprehensive income for the year		901.15	805.78
Attributable to:			
Equity holders of the parent		901.23	805.76
Non-controlling interests		(0.08)	0.02
Earnings per equity share of ₹ 10 each: (in ₹)			
Basic	42	14.46	12.92
Diluted		14.26	12.76
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For and on behalf of Board of Directors of Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

per Vijay Maniar
Partner
Membership No. 36738

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 11th May, 2019

Thane, 11th May, 2019

Statement of Consolidated Cash Flows

for the year ended 31st March, 2019

(₹ in Crores)

	31st March, 2019	31st March, 2018
Cash flow from operating activities:		
Profit before tax	1,421.94	1,203.59
Adjustments for:		
Depreciation and amortisation expenses	212.49	159.00
Finance cost	47.21	59.54
Interest income	(23.59)	(43.49)
Profit on sale of investments	(11.35)	(16.88)
Expense on employee stock option scheme	17.15	21.52
Rent income	(3.60)	(4.89)
(Gain)/ loss on disposal of property plant and equipment (net)	(0.99)	(2.95)
	237.32	171.85
Operating profit before working capital changes	**1,659.26**	**1,375.44**
Adjustments for:		
Increase in trade payables	145.99	54.80
Increase/(decrease) in current provisions	(1.15)	2.97
Increase/(decrease) in other current financial liabilities	(29.45)	20.32
Increase/(decrease) in other current liabilities	10.45	(20.55)
Increase in non-current provisions	0.31	0.03
Increase/ (Decrease) in other non-current financial liabilities	-	(0.60)
Increase in trade receivables	(30.87)	(12.51)
Increase in inventories	(445.20)	(212.23)
(Increase)/decrease in current investments	51.65	(62.01)
(Increase)/decrease in other non-current assets	(21.69)	0.14
(Increase)/decrease in other non-current financial assets	9.66	(2.65)
Increase in bank balances other than cash and cash equivalents	(0.50)	(0.05)
Increase in other current assets	(45.49)	(19.20)
Decrease in other current financial assets	5.64	8.77
	(350.65)	(242.77)
Cash flow from operating activities	1,308.61	1,132.67
Direct taxes paid (net of refunds)	(501.77)	(402.68)
Net cash flow from operating activities	**806.84**	**729.99**
Cash flow from investing activities:		
Proceeds from disposal of property, plant and equipment	8.44	6.88
Realisation from FDs of IPO proceeds	399.14	1,358.68
Interest received	36.35	31.48
Gain on sale of investments	11.35	16.88
Investment in associate before conversion to subsidiary	-	7.67
Rent income received	3.15	4.85
	458.43	**1,426.44**
Purchase of property, plant and equipment/ intangible assets/investment properties	(1,416.80)	(915.63)
Investment in an associate for conversion to subsidiary	-	(49.21)
	(1,416.80)	(964.84)
Net cash flow (used in) / from investing activities	**(958.37)**	**461.60**

Statement of Consolidated Cash Flows

for the year ended 31st March, 2019

(₹ in Crores)

	31st March, 2019	31st March, 2018
Cash flow from financing activities:		
Proceeds from long-term borrowings	150.00	-
Proceeds from short-term borrowings	50.00	-
Proceeds from commercial papers	786.52	-
Proceeds of short-term borrowings	5.00	-
	991.52	**-**
Repayment of long-term borrowings	(16.00)	(542.47)
Repayment of non-convertible debentures	(170.00)	(384.00)
Repayment of commercial papers	(540.99)	-
Repayment of short-term borrowings	(4.55)	(152.59)
Interest paid	(51.00)	(80.00)
	(782.54)	**(1,159.06)**
Cash flow (used in) / from financing activities	**208.98**	**(1,159.06)**
Net increase/(decrease) in cash and cash equivalent	**57.45**	**32.53**
Cash and cash equivalents at beginning of the year	**67.41**	**32.93**
Cash acquired on acquisition	-	1.95
Cash and cash equivalents at end of the year	124.86	67.41
Cash and cash equivalents as per above comprises of the following		
Cash and cash equivalents (Refer Note: 11)	124.98	67.45
Bank overdrawn (Refer Note: 23)	(0.12)	(0.04)
Balance as per statement of cash flows	124.86	67.41

The accompanying notes are an integral part of these financial statements

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

per Vijay Maniar
Partner
Membership No. 36738

Thane, 11th May, 2019

For and on behalf of Board of Directors of
Avenue Supermarts Limited

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 11th May, 2019

Statement of Changes in Consolidated Equity

for the year ended 31st March, 2019

A. Equity share capital

	Notes	No. of Shares	(₹ in Crores)
Equity share of ₹ 10 each issued, subscribed and fully paid	15		
At 1st April, 2017		**624,084,486**	**624.08**
Issue of Share Capital		-	-
At 31st March, 2018		**624,084,486**	**624.08**
Issue of Share Capital		-	-
At 31st March, 2019		**624,084,486**	**624.08**

B. Other equity

(₹ in Crores)

	Notes	Other equity				
		Securities premium	Share options outstanding account	Debenture redemption reserve	Retained earnings	Total
Balance as at 1st April, 2017		1,809.77	1.16	124.72	1,282.05	3,217.70
Profit for the year		-	-	-	806.26	806.26
Other comprehensive income for the year		-	-	-	(0.50)	(0.50)
Share option expense	45	-	21.51	-	-	21.51
Transfer from debenture redemption reserve		-	-	(37.77)	37.77	-
Balance as at 31st March, 2018		**1,809.77**	**22.67**	**86.95**	**2,125.58**	**4,044.97**
Profit for the year		-	-	-	902.54	902.54
Other comprehensive income for the year		-	-	-	(1.31)	(1.31)
Share option expense	45	-	17.16	-	-	17.16
Transfer from debenture redemption reserve		-	-	(27.30)	27.30	-
Balance as at 31st March, 2019		**1,809.77**	**39.83**	**59.65**	**3,054.12**	**4,963.37**

Nature and purpose of reserve

Securities premium

securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act 2013.

Share options outstanding account

The share options outstanding is used to recognise the grant date fair value of options issued to employees under Avenue Supermarts Limited Employee Stock Option Scheme, 2016.

Debenture redemption reserve

The Company is required to create a debenture redemption reserves out of profit which is available for the purpose of redemption of debentures in accordance with provisions of Companies Act 2013.

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of Board of Directors of Avenue Supermarts Limited

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

per Vijay Maniar
Partner
Membership No. 36738

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 11th May, 2019

Thane, 11th May, 2019

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Corporate information

Avenue Supermarts Limited ('The group') is a company limited by shares and is domiciled in India. The group's registered office is at Anjaneya, Opp. Hiranandani Foundation School, Powai, Mumbai, Maharashtra India 400076. The group is primarily engaged in the business of organized retail and operates supermarkets under the brand name of "D-Mart". Its equity shares are listed in India on BSE Limited and National Stock Exchange of India Limited.

The Financial Statements have been recommended for approval by the audit committee and is approved and adopted by the Board in their meeting held on 11th May, 2019.

1. Summary of significant accounting policies

(a) Basis of preparation

The Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

1) certain financial assets and liabilities that are measured at fair value;

2) defined benefit plans - plan assets measured at fair value;

3) share based payments.

(ii) Current non-current classification

The group presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:

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

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose or trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

(iii) Rounding off amounts

The standalone financial statements are presented in ₹ and all values are rounded to the nearest Crores (₹ 0,000,000), except when otherwise indicated.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31st March, 2018. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if and only if the group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns; Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

- The group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets or liabilities

(c) Property, plant and equipment (PPE)

On transition to Ind AS, The group has elected to continue with the carrying value of all its property plant and equipment recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. (Referred to as "historical cost" in this section")

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Freehold land is carried at historical cost. All other item of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Capital work-in-progress, property, plant and equipment is stated at cost, net of accumulated depreciation. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing cost for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, The group depreciates them separately based on thier specific useful lifes. Likewise, when a major inspection is performed, its cost is recongnised in the carrying amount of the property, plant and equipment as a replacement if the recongnition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred.

Capital work-in-progress comprises cost of property, plant and equipment (including related expenses), that are not yet ready for their intended use at the reporting date.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to The group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on property, plant and equipment

Depreciation is provided to the extent of depreciable amount on written down value method (except for leasehold land which is amortised over the period of lease) over the useful life of asset as assessed by the management and the same is similar to the useful lives as prescribed in Part-C of Schedule II to the Companies Act, 2013. Depreciation is charged on pro-rata basis for asset purchased / sold during the year.

The assets residual values, useful life and method of depreciation of PPE are reviewed and adjusted if appropriate, at the end of each reporting period.

(d) Business combinations and goodwill

The Group has accounted business combinations using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(e) Intangible assets

On transition to Ind AS, The group has elected to continue with the carrying value of all its intangible assets recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets are amortised on a written down value basis over the economic useful life estimated by the management.

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

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

Amortisation on intangible assets

Amortisation is provided on straight line method over the useful life of asset as assessed by the management and the same is similar to the useful lives as prescribed in Part-C of Schedule II to the Companies Act, 2013. Amortisation is charged on pro-rata basis for asset purchased / sold during the year.

Estimated useful life of assets are as follows: Computer Software - 5 years, Trademarks - 5 - 10 years.

(f) Investment properties

On transition to Ind AS, The group has elected to continue with the carrying value of all its investment properties recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

Investments in property that are not intended to be occupied substantially for use by, or in the operations of The group, have been classified as investment property. Investment properties are measured initially at its cost including transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to The group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Though The group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

The group depreciates its investment properties over the useful life which is similar to that of Property, Plant and Equipment

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(g) Impairment of non financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

Impairment losses are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

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

(h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to The group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with The group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that The group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Leases in which The group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from The group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at The group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Ind AS 17 also contains similar requirements for recognition of lease rental income under operating leases. The group has determined that it does not meet criteria for recognition of lease rental expense/ income on a basis other than straight-line basis.

(i) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises 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 change in value. For the purpose of financial statement of cash flow, cash and cash equivalent consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of The group's cash management.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

(k) Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories, comprise costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is determined by the weighted average cost method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

(l) Financial instruments

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

Financial asset

(i) Classification

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

* those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
* those measured at amortised cost.

The classification depends on The group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether The group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, The group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the Statement of Profit and Loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments:

Subsequent measurement of debt instruments depends on The group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which The group classifies its debt instruments:

* Amortised cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met: a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

* Fair value through other comprehensive income (FVOCI): A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met: a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and b) The asset's contractual cash flows represent SPPI.

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

* Fair value through profit and loss: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

In addition, The group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity instruments:
The group subsequently measures all equity investments at fair value. Where The group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when The group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through the Statement of Profit and Loss are recognised in other income / other expenses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets
The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, The group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets
A financial asset is derecognised only when

* The group has transferred the rights to receive cash flows from the financial asset or
* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

(m) Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of The group or the counterparty.

(n) Trade and other payables
These amounts represent liabilities for goods and services provided to The group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(o) Borrowings and other financial liabilities
Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initiation is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash transferred or liabilities assumed, is recognised in the Statement of Profit and Loss.

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to the Consolidated Financial Statements for the year ended 31st March, 2019

Borrowings are classified as current liabilities unless The group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(p) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Borrowing cost consist of interest and other cost that an entity incurs in connection with borrowing of funds.

(q) Provisions and contingent liabilities

Provisions are recognised when The group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of The group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognize a contingent asset unless the recovery is virtually certain.

(r) Revenue from operations

Revenue from operations is recognised to the extent that it is probable that economic benefit will flow to The group and the revenue can be reliably measured regardless of when the payment is being made as per IND AS 115. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government

Sale of goods

Revenue from sale of goods is recognised on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. It is The group's policy to sell its products to the end customers with a right of return within 7 days. Historical experience is used to estimate and provide for such returns at the time of sales.

The group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Principal versus agent consideration

The inventory of third party does not pass to The group till the product is sold. At the time of sale of such inventory, the sales value along with the cost of inventory is disclosed seprately as sale of goods on approval basis and cost of goods sold on approval basis and forms part of Revenue in the Statement of Profit and Loss. Only the net revenue earned i.e. margin is recorded as a part of revenue.

Rental income

Rental income arising from operating lease on investment properties is accounted for on a straight line basis over lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and is included in the Statement of profit or loss due to its operating nature.

Interest income

Interest income is recongnised based on time proportion basis considering the amount outstanding and rate applicable (EIR). Interest income in included in the Other Income in the statement of Profit and Loss.

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to the Consolidated Financial Statements for the year ended 31st March, 2019

(s) Retirement and other employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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

ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligations

Defined benefit plans

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit or loss as past service cost.

Share based payment

Equity settled share based payments to employees and other providing similar services are measured at fair value of the equity instruments at grant date.

The fair value determined at the grant date of the equity-settled share based payment is expensed on a straight line basis over the vesting period, based on The group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, The group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any is, recongised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate,with a corresponding adjustment to the shared option outstanding account.

No expense is recognised for options that do not ultimately vest because non market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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to the Consolidated Financial Statements for the year ended 31st March, 2019

Expense relating to options granted to employees of the subsidiaries under The group's share based payment plan, is recovered from the subsidiary. Such recovery is reduced from employee benefit expense.

(t) Foreign currency transactions

(a) Functional and presentation currency:

Items included in the financial statements of The group are measured using the currency of the primary economic environment in which the entity operates. The Financial statements are presented in INR, which is functional and presentational currency.

(b) Transaction and balances:

Transaction in currencies other than than entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transaction.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retransalted. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(u) Income tax

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

Deferred income tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount for financial reorting purpose at the reporting date. Deferred tax assets and liabilities are determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the asset is realised or the liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where The group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

(v) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity shareholder of The group
- by the weighted average number of equity shares outstanding during the financial year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(w) Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and deposits, trade and other receivables, trade payables, other current liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments.

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to the Consolidated Financial Statements for the year ended 31st March, 2019

2. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

3. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(x) Significant accounting judgement, estimates and assumption

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying The group's accounting policies.

Share based payment

The group initially measures the cost of equity settled transaction with employees using Black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transacton requires determination of the most appropirate valuation model, which is dependent on the terms and conditions of the grant. The estimates also requires determination of the most appropirate inputs to the valuation model including expected life of the share option, volatality and dividend yield and making assumptions about them.For equity settled share based payment transaction, the liability needs to be re-measured at the end of each reporting period upto the date of settlement, with any changes in fair value recognised in the Statement of Profit and Loss. This requires a re-assessment of the estimates used at end of each reporting period. The assumption and models used for estimating the fair value for share based-payment transaction are disclosed in Note no 45.

Provision for inventory

The group has calculated the provision for inventory basis the percentage as per historical experience for inventory lying from the last inventory count date to the reporting date.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determinning the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note: 46.

(y) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker being Managing Director of The group. The Managing Director assesses the financial performance and position of The group as a whole, and makes strategic decisions.

(z) Cash flow

The investing and financing activities in cash flow statement do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The group has disclosed these transactions, to the extent material, in notes to cash flow statement.

Notes

to the Consolidated Financial Statements as at 31st March, 2019

2 Property, plant and equipment

(₹ in Crores)

	Freehold land (Refer Note: 2,7)*	Leasehold land (Refer Note: 1)*	Buildings (Refer Note: 1,4,6)*	Leasehold improvement	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Office equipment	Electrical installations	Total
Cost											
Balance as at 1st April, 2017	668.14	375.84	1,354.75	24.57	88.09	30.41	108.05	6.17	15.75	94.43	2,766.20
Additions	381.79	14.12	365.97	16.05	30.81	23.02	32.03	0.50	6.27	29.75	900.31
Reclassification	-	-	(2.30)	(0.45)	5.84	-	1.29	(4.44)	(0.39)	0.45	-
Disposals	1.63	-	0.26	1.15	0.95	0.26	0.90	0.02	0.17	0.07	5.41
Balance as at 31st March, 2018	**1,048.30**	**389.96**	**1,718.16**	**39.02**	**123.79**	**53.17**	**140.47**	**2.21**	**21.46**	**124.56**	**3,661.10**
Additions	577.44	16.99	401.39	18.39	69.61	23.69	67.38	1.02	8.32	27.09	1,207.93
Reclassification	-	-	(3.40)	-	-	-	-	-	-	-	(3.40)
Disposals	4.51	-	0.17	0.20	2.50	0.80	2.20	0.22	0.36	0.52	11.47
Balance as at 31st March, 2019	**1,621.23**	**406.95**	**2,115.98**	**57.21**	**190.91**	**76.06**	**205.65**	**3.01**	**29.43**	**151.13**	**4,857.55**
Depreciation											
Balance as at 1st April, 2017	-	8.06	101.94	3.14	18.88	16.12	33.22	2.82	7.38	30.74	222.30
Charge for the year	-	4.38	69.25	5.55	20.28	16.72	23.05	1.08	4.79	19.20	164.30
Reclassification	-	-	(0.29)	(0.31)	3.36	-	0.12	(2.89)	(0.19)	0.20	-
Disposals	-	-	0.03	0.29	0.39	0.16	0.45	0.01	0.14	0.04	1.51
Balance as at 31st March, 2018	**-**	**12.44**	**170.87**	**8.09**	**42.13**	**32.68**	**55.94**	**1.00**	**11.84**	**50.10**	**385.09**
Depreciation charge for the year	-	4.47	93.56	5.01	24.60	18.40	28.91	0.54	5.64	21.89	203.02
Reclassification	-	-	(0.48)	-	-	-	-	-	-	-	(0.48)
Disposals	-	-	0.03	0.09	1.43	0.59	1.25	0.15	0.26	0.31	4.11
Balance as at 31st March, 2019	**-**	**16.91**	**263.92**	**13.01**	**65.30**	**50.49**	**83.60**	**1.39**	**17.22**	**71.68**	**583.52**
Net book value											
Balance as at 31st March, 2018	**1,048.30**	**377.52**	**1,547.29**	**30.93**	**81.66**	**20.49**	**84.53**	**1.21**	**9.62**	**74.46**	**3,276.01**
Balance as at 31st March, 2019	**1,621.23**	**390.04**	**1,852.06**	**44.20**	**125.61**	**25.57**	**122.05**	**1.62**	**12.21**	**79.45**	**4,274.03**

* For the Notes please refer next page

Notes

to the Consolidated Financial Statements as at 31st March, 2019

Notes:

1. Leasehold land includes following amounts paid as premium under built operate and transfer (BOT) arrangement

(₹ in Crores)

	Land		Building constructed on the Land	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Gross block	13.83	13.83	41.10	40.99
Net block	13.23	13.38	34.70	36.66

2. Freehold land includes ₹ 134.63 Crores (31st March, 2018: ₹ 157.47 Crores) being property purchased, for which mutation is pending.

3. Capital work in progress as at 31st March, 2019 comprises expenditure for the new stores in the course of construction. Total amount of CWIP (including fit outs) is ₹ 376.84 Crores (31st March, 2018: ₹ 147.08 Crores)

4. Building and CWIP includes interest capitalised on borrowings for the FY 2018-19 of ₹ 3.10 Crores (FY 2017-18: ₹ Nil)

5. Assets pledged as security for borrowings is disclosed under note 35.

6. Building includes Net book value of plant and equipment fitting of ₹ 43.98 Crores (31st March, 2018: ₹ 56.13 Crores).

7. Freehold land ₹ 10.65 Crores being the value of a land purchased by the Company at Nagpur from Pramod Walmandhare and others The Company has filed the appeal before Deputy Director of Land records (DDLR) at Nagpur thereby challenging the Order dated 7th July, 2017 (by Virtue of which Ownership of the Pramod Walmandre and Others is affected) passed by Superintend of Land Records, Nagpur against Nagpur Improvement Trust and others. The said matter is pending before DDLR, Nagpur. Title deed in respect of the said property is held in the name of the Company.

Notes

to the Consolidated Financial Statements as at 31st March, 2019

3 Investment properties

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Cost		
Opening balance	18.24	28.90
Reclassification	3.40	(10.66)
Closing balance	**21.64**	**18.24**
Depreciation		
Opening balance	(1.91)	(1.53)
Charge for the year	(1.15)	(0.38)
Reclassification	(0.48)	-
Closing balance	**(3.54)**	**(1.91)**
Net book value	**18.10**	**16.33**

Information regarding income and expenditure of investment properties:

(i) Amounts recognised in profit or loss for investment properties

Rental income including contingent rent of ₹ 0.03 Crores (Previous year ₹ 0.03 Crores)	2.65	3.06
Direct operating expenses from property that generated rental income	0.60	0.63
Direct operating expenses from property that did not generate rental income	0.06	-
Income from investment properties before depreciation	**1.99**	**2.43**
Depreciation	1.15	0.38
Income from investment properties	**0.84**	**2.05**

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

Within one year	1.40	0.25
Later than one year but not later than 5 years	-	0.10
Later than 5 years	-	-
	1.40	**0.35**

(iii) Fair value

Investment properties	**138.29**	**61.64**

The company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Estimation of fair value

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent.

This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

Notes

to the Consolidated Financial Statements as at 31st March, 2019

4 Intangible assets

(₹ in Crores)

	Computer software	Trademarks	Total
Cost			
Balance as at 1st April, 2017	10.16	0.02	10.18
Additions	32.78	-	32.78
Adjustment	(0.04)	-	(0.04)
Balance as at 31st March, 2018	**42.98**	**0.02**	**43.00**
Additions	9.69	-	9.69
Disposals	0.55	-	0.55
Balance as at 31st March, 2019	**52.12**	**0.02**	**52.14**
Amortisation			
Balance as at 1st April 2017	5.56	0.01	5.57
Charge for the year	8.02	-	8.02
Disposals	(0.05)	-	(0.05)
Balance as at 31st March, 2018	**13.63**	**0.01**	**13.64**
Charge for the year	8.99	-	8.99
Disposals	0.46	-	0.46
Balance as at 31st March, 2019	**22.16**	**0.01**	**22.17**
Net book value			
Balance as at 31st March, 2018	**29.35**	**0.01**	**29.36**
Balance as at 31st March, 2019	**29.96**	**0.01**	**29.97**

5 Other non-current financial assets

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Rent deposits given	9.16	23.76
Other deposits	21.44	16.65
Margin money deposits with banks (held as lien by bank against bank guarantees)	0.97	0.82
Long term deposits with banks with maturity period more than 12 months (Provided as security for various regulatory registrations)	0.17	0.17
Current tax assets (net)	0.64	0.99
Total	**32.38**	**42.39**

6 Deferred tax assets (net)

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liability on account of:		
- Depreciation	0.05	-
Deferred tax assets on account of:		
- Depreciation	0.13	0.03
- Employee benefits	0.14	0.10
Deferred tax assets (net)	**0.22**	**0.13**

Notes
to the Consolidated Financial Statements as at 31st March, 2019

Details of deferred tax assets (net)	Property plant and equipment	Employee benefits	Total
At 1st April 2017	-	0.08	**0.08**
Charged / (Credited) to			
Profit and Loss	0.03	0.02	**0.05**
At 31st March 2018	0.03	0.10	**0.13**
Charged / (Credited) to			
Profit and Loss	0.05	0.04	**0.09**
At 31st March 2019	**0.08**	**0.14**	**0.22**

7 Other non-current assets

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Capital advances	90.52	85.47
Prepaid Expenses	22.81	1.12
Total	**113.33**	**86.59**

8 Inventories

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Stock-in-trade (at lower of cost and net relisable value)	1,606.15	1,161.28
Stock of packing material	2.50	2.17
Total	**1,608.65**	**1,163.45**

9 Current investments

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Investment in mutual funds		
Unquoted		
HDFC Liquid Fund - Growth	16.53	50.40
ICICI Prudential Mutual Fund - Growth	-	17.78
Total	**16.53**	**68.18**
Aggregate amount of unquoted investments	16.53	68.18
Aggregate amount of impairment in the value of investment	-	-

10 Trade receivables

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Considered good		
Unsecured		
Other than related parties	64.37	33.52
Total	**64.37**	**33.52**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally received within the credit period.

Notes

to the Consolidated Financial Statements as at 31st March, 2019

11 Cash and cash equivalents

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Balances with banks - In current accounts	63.67	54.43
Cash on hand	61.31	13.02
Total	**124.98**	**67.45**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Total cash and cash equivalents	124.98	67.45
Less: Overdrawn bank balances (Refer Note: 23)	(0.12)	(0.04)
Cash and cash Equivalents for cash flow purpose	**124.86**	**67.41**

12 Bank balances other than cash and cash equivalents

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Margin money deposits with bank (held as lien by bank against guarantees)	0.82	1.01
Deposits with Bank	0.69	-
IPO proceeds pending utilisation (Refer Note: 15)		
Current accounts (escrow)	7.58	6.72
Fixed deposits	85.00	485.00
Total	**94.09**	**492.73**

13 Other current financial assets

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Rent deposits given	2.98	-
Advances recoverable in cash or in kind or in value to be received	51.75	60.37
Interest receivable	2.84	15.60
Loans to employees	1.53	1.53
Total	**59.10**	**77.50**

The above current financial assets are carried at amortised cost.

14 Other current assets

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Prepaid Expenses	6.82	5.06
Advances to suppliers	83.11	44.34
Balance with government authorities	18.11	17.04
Others	6.82	2.93
Total	**114.86**	**69.37**

The above current assets are carried at amortised cost.

Notes

to the Consolidated Financial Statements as at 31st March, 2019

15 Equity share capital

(₹ in Crores)

		As at 31st March, 2019	As at 31st March, 2018
A.	**Authorised**		
	750,000,000 [31st March, 2018: 750,000,000] equity Shares of ₹ 10 each	75,000.00	75,000.00
	Issued, subscribed and fully paid up		
	624,084,486 [31st March, 2018: 624,084,486] equity Shares of ₹ 10 each	624.08	624.08
		624.08	**624.08**
	Notes:		
a)	**Reconciliation of number of shares**		
	Balance at the beginning of the year		
	No. of shares	624,084,486	624,084,486
	Amount in ₹ Crores	624.08	624.08
	Issued, subscribed and paid up during the year		
	No. of shares	-	-
	Amount in ₹ Crores	-	-
	Balance at the end of the year		
	No. of shares	624,084,486	624,084,486
	Amount in ₹ Crores	624.08	624.08

In March 2017, the Company had completed the Initial Public offering (IPO) of fresh issue of 62,541,806 equity shares of ₹ 10 each at an issue price of ₹ 299 per share. The equity shares of the Company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f. 21 March, 2017.

Utilisation of IPO proceeds are as follows:-

Particulars	Planned as per Prospectus	Utilisation upto 31st March, 2019	Balance as at 31st March, 2019
Towards repayment / payment of NCDs / term loans	1,080.00	1,034.00	46.00
Construction and purchase of fit outs for new stores	366.60	320.03	46.57
Towards general corporate purpose (including transaction cost of IPO)	423.40	423.39	0.01
Total	**1,870.00**	**1,777.42**	**92.58**

Expenses incurred by the Company aggregating to ₹ 29.38 Crores, in connection with IPO have been adjusted towards securities premium in March 2017.

b) Terms and rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company if declares dividend would pay dividend in Indian rupees. The dividend if proposed by the Board of Directors would be subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares reserved for issue under option

Information relating to Avenue Supermarts limited Employee Stock Option Scheme, 2016, including details of option granted, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 45.

Notes

to the Consolidated Financial Statements as at 31st March, 2019

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2019	As at 31st March, 2018
Mr. Radhakishan S. Damani	239,689,156	245,930,000
- % holding of shares	38.41%	39.41%
Mr. Gopikishan S. Damani	50,980,000	50,980,000
- % holding of shares	8.17%	8.17%
Bright Star Investments Private Limited	88,750,000	88,750,000
- % holding of shares	14.22%	14.22%

16 Other equity

(₹ in Crores)

		As at 31st March, 2019	As at 31st March, 2018
(a)	**Securities premium**		
	Opening balance	1,809.77	1,809.77
	Closing balance	**1,809.77**	**1,809.77**
(b)	**Debenture Redemption Reserve**		
	Opening balance	86.95	124.72
	Appropriations/reversal during the year	(27.30)	(37.77)
	Closing balance	**59.65**	**86.95**
(c)	**Share Options Outstanding Account**		
	Opening balance	22.67	1.16
	Share option expense	17.16	21.51
	Closing balance	**39.83**	**22.67**
(d)	**Retained earnings**		
	Opening balance	2,125.58	1,282.05
	Profit for the year	902.54	806.26
	Items of other comprehensive income recognised directly in retained earnings		
	- Remeasurements of post-employment benefit obligation, net of tax	(1.31)	(0.50)
	Transfer from debenture redemption reserve	27.30	37.77
	Closing balance	**3,054.12**	**2,125.58**
	Total Reserves and surplus	**4,963.37**	**4,044.97**

17 Non-current borrowings

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Secured		
Term loans from banks	150.00	16.00
Less: Current maturities disclosed in other current financial liabilities	(58.33)	(16.00)
	91.67	**-**
Non-convertible debentures	246.00	416.00
Less: Current maturities disclosed in other current financial liabilities	(212.00)	(170.00)
	34.00	**246.00**
Total secured loans	**125.67**	**246.00**

Notes

to the Consolidated Financial Statements as at 31st March, 2019

Nature of security and terms of repayment for borrowings:

Sr. No.	Nature of Security	Terms of Payment
1	Terms loan are secured by way of mortgage of various stores properties to the banks.	Repayment in 6 equal quarterly installments starting after 6 month moratorium. Last installment due in March, 2021. Rate of interest is ranging between 8.13% to 8.64% p.a. as at the year end.
2	The term loans from bank of ₹ Nil (31st March, 2018: ₹ 16.00 Crores) was further secured by way of personal guarantees given by the promoters.	
3	Non-convertible debentures (NCD) are secured by way of mortgage of specific stores properties to the Debenture Trustee.	NCD for ₹ 246 Crores is repayable in 1 to 2 annual installments. Last installments are due in August 2020. Rate of interest is ranging between 9.10% to 10.38% p.a. as at the year end.

18 Other non-current financial liabilities

(₹ in Crores)

	As at 31st March, 2019	As at 1st April, 2017
Other non-current financial liabilities at amortised cost		
Rent deposits taken	0.78	0.78
Total	**0.78**	**0.78**

The above non-current financial liabilities are carried at amortised cost.

19 Provisions

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits		
Leave encashment	0.24	0.18
Gratuity (Refer Note: 46)	0.81	0.56
Total	**1.05**	**0.74**

20 Deferred tax liabilities (net)

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liability on account of:		
- Depreciation	67.54	56.84
Deferred tax assets on account of:		
- Employee benefits	3.47	10.54
- Unrealised profit on consolidation	0.78	1.12
Deffered tax liabilities (net)	**63.29**	**45.18**

Notes

to the Consolidated Financial Statements as at 31st March, 2019

Details of deferred tax liabilities (net)

(₹ in Crores)

	Uneralised profit on consolidation	Property plant and equipment	Employee benefits	Total
At 1st April, 2017	(1.17)	**53.66**	**(1.92)**	**50.57**
Charged/(Credited) to				
Profit and Loss	0.05	3.18	(8.62)	(5.39)
At 31st March, 2018	**(1.12)**	**56.84**	**(10.54)**	**45.18**
Charged/(Credited) to				
Profit and Loss	0.34	10.70	7.07	18.11
At 31st March, 2019	**(0.78)**	**67.54**	**(3.47)**	**63.29**

21 Current borrowings

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Secured		
(a) Working capital loans from banks (Payable on demand) (Working capital loan from banks are secured by hypothecation of inventories, trade receivables, both present and future)	7.70	7.25
(b) Term loans from bank (Short term loan from bank to be secured by way of mortgage of various store properties to the bank within four months from the first date of disbursement.)	50.00	-
Unsecured		
(a) By issue of commercial papers	246.45	-
Total	**304.15**	**7.25**

At 31st March 2019, the Company had available ₹ 713.28 Crores (31st March, 2018: ₹ 201.51 Crores) of undrawn committed borrowing facilities.

Working capital loan from bank of ₹ Nil (31st March, 2018: ₹ 7.25 Crores) was further secured by way of personal guarantees given by the promoters.

22 Trade payables

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Trade payables	463.27	317.28
Total	**463.27**	**317.28**

(a) Dues to micro and small enterprises (Refer Note: 36)

The company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	5.44	1.17

Notes

to the Consolidated Financial Statements as at 31st March, 2019

23 Other current financial liabilities

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Other financial liabilities measured at amortised cost:		
Current maturities of term loans (Refer Note: 17)	58.33	16.00
Current maturities of debentures (Refer Note: 17)	212.00	170.00
Interest accrued but not due on borrowings	12.03	16.75
Escrow deposits received*	11.27	41.48
Overdrawn bank balances	0.12	0.04
Salary and wages payable	33.32	28.27
Capital creditors	69.78	31.88
Current tax liabilities (Net)	26.78	28.12
Other payables	0.08	4.39
Total	**423.71**	**336.93**

* Escrow deposits represents amount received for any possible claims that may arise in future in respect of certain properties.

24 Other current liabilities

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Statutory dues	22.55	11.73
Others payables	0.40	0.77
Total	**22.95**	**12.50**

25 Provisions

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits		
Gratuity (Refer Note: 46)	2.01	3.40
Leave entitlement	10.83	8.60
Total	**12.84**	**12.00**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

26 Revenue from operations

(₹ in Crores)

	31st March, 2019	31st March, 2018
Sale of goods	21,906.32	16,459.51
Sale of goods on approval basis	75.27	82.51
Less: Cost of goods sold on approval basis	**(63.67)**	**(72.03)**
	21,917.92	16,469.99
Less: Tax	(1,950.59)	(1,471.97)
Other operating income	37.19	35.18
Total	**20,004.52**	**15,033.20**

27 Other income

(₹ in Crores)

	31st March, 2019	31st March, 2018
Interest on deposits and advances	23.59	43.49
Rent and amenities service income	3.60	4.89
Gain on sale of current investment	11.35	16.88
Gain on sale/discardment of property, plant and equipment (net)	1.01	3.00
Exchange gain (net)	5.98	-
Miscellaneous income	2.82	1.06
Total	**48.35**	**69.32**

28 Changes in inventories of stock-in-trade

(₹ in Crores)

	31st March, 2019	31st March, 2018
Closing stock	1,608.65	1,164.00
Opening stock	1,164.00	952.69
Total	**(444.65)**	**(211.31)**

29 Employee benefits expenses

(₹ in Crores)

	31st March, 2019	31st March, 2018
Salaries, allowances and others	294.72	229.19
Expense on employee stock option scheme (Refer Note: 45)	17.15	21.52
Contribution to provident fund and other funds	18.17	14.59
Employee welfare expenses	25.38	17.29
Total	**355.42**	**282.59**

30 Finance costs

(₹ in Crores)

	31st March, 2019	31st March, 2018
Interest on term loans from banks	0.85	7.33
Interest on non-convertible debentures	34.01	46.72
Interest others	**11.91**	**1.95**
	46.77	**56.00**
Finance charges	0.44	3.54
Total	**47.21**	**59.54**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

31 Depreciation and amortisation expense

(₹ in Crores)

	31st March, 2019	31st March, 2018
Depreciation/ amortisation on:		
- Tangible assets (Refer Note: 2)	203.02	156.10
- Intangible assets (Refer Note: 4)	8.99	3.24
- Investment property (Refer Note: 3)	1.15	0.38
	213.16	**159.72**
Less: Capitalised	(0.67)	(0.72)
Total	**212.49**	**159.00**

32 Other expenses

(₹ in Crores)

	31st March, 2019	31st March, 2018
Contract labour charges	422.33	323.91
Rent (Refer Note: 37)	75.71	49.84
Electricity and fuel charges	152.80	121.26
Insurance	5.20	4.21
Rates and taxes	20.38	14.68
Repairs and maintenance:		
- Building	24.16	15.23
- Plant and machinery	29.89	21.62
- Others	23.34	12.96
Legal and professional fees	11.28	9.64
Travelling and conveyance	22.72	17.11
Directors fees	0.75	0.55
Payment to auditors		
- Audit fees	0.43	0.36
- Other services	0.11	0.15
- Reimbursement of expenses	0.01	0.01
Miscellaneous expenses	209.07	159.85
Selling and Distribution Expenses		
Expenditure towards corporate social responsibility (CSR) activities (Refer Note: 39)	16.77	10.73
Loss on sale/discardment of property, plant and equipment (net)	0.02	0.05
Total	**1,014.97**	**762.16**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

33 Income tax expenses

(₹ in Crores)

	31st March, 2019	31st March, 2018
Tax expense recognised in the statement of Profit and Loss		
(a) Income tax expense		
Current tax		
Current tax on profits for the year recognised in statement of profit and loss	509.13	421.70
Current tax on Re-measurements gains/(loss) on defined benefit plans recognised in OCI	(0.68)	(0.27)
Adjustments for current tax of prior periods	(7.67)	(0.44)
Total current tax expense	**500.78**	**420.99**
Deferred tax		
(Decrease) increase in deferred tax		
Total deferred tax expense/(benefit)	18.02	(5.47)
Income tax expense	**518.80**	**415.52**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Accounting profit before tax	1,421.94	1,203.59
Tax calculated at tax rates applicable to profit	513.34	418.77
Permanent differences due to:		
Donation	0.39	0.02
Deductions taken for 80E and others	(2.79)	-
Corporate social responsibility	6.22	3.26
Interest on income tax	0.08	0.41
Fines and penalty	0.04	0.00
Deduction from income from house property	(0.50)	(0.38)
Impact of increase of tax rate on Def tax of PY	0.45	-
Others	1.57	(6.12)
Adjustments for current tax of prior periods	-	(0.44)
Income tax recognised in the statement of profit and loss and OCI	**518.80**	**415.52**

34 Related party transactions

		Ownership interest	
		31st March, 2019	31st March, 2018
(i)	**Subsidiary companies:**		
	Avenue Food Plaza Private Limited (AFPPL)	100.00	100.00
	Align Retail Trades Private Limited (ARTPL)	100.00	100.00
	Nahar Seth & Jogani Developers Private Limited (NSJDPL)	90.00	90.00
	Avenue E-Commerce Limited (AEL) (w.e.f. 1st February, 2018)	99.71	99.66
	Reflect Wholesale and Retail Private Limited (w.e.f. 28th May, 2018)	100.00	-
(ii)	**Associate enterprises**		
	Avenue E-Commerce Limited (till 31st January, 2018)	-	49.21
(iii)	**Shareholders who exercise control:**		
	Mr. Radhakishan Damani		
	Mr. Gopikishan Damani		
	Mrs. Shrikantadevi Damani		
	Mrs. Kirandevi Damani		
	Bright Star Investments Private Limited		
(iv)	**Directors and Key managerial personnel:**		
	Mr. Ignatius Navil Noronha (Managing Director and Chief Executive Officer)		
	Mr. Ramakant Baheti (Whole-time Director and Group Chief Financial Officer)		
	Mr. Elvin Machado (Executive Director)		
	Mrs. Manjri Chandak (Non-Executive Director)		
	Mr. Ramesh Damani (Chairman and Independent Director)		
	Mr. Chandrashekhar B. Bhave (Independent Director)		
	Ms. Kalpana Unadkat (Independent Director)		

Notes
to the Consolidated Financial Statements for the year ended 31st March, 2019

		Ownership interest 31st March, 2019	31st March, 2018
	Mr. Niladri Deb (Chief Financial Officer)		
	Mrs. Ashu Gupta (Company Secretary)		
	Mr. Navin Nerurkar (Director of ARTPL and AFPPL)		
	Mr. Prakash Pachisia (Director of ARTPL and AFPPL)		
	Mr. Trivikrama Rao Dasu (Chief executive officer of AEL)		
(v)	**Entities over which parties listed in (iii) above exercise control / significant influence and transactions have taken place with them during the year**		
	7 Apple Hotels Private Limited		
	Bombay Swadeshi Stores Limited		
	Derive Trading and Resorts Private Limited		
	Damani Estates and Finance Private Limited		
	Boutique Hotels India Private Limited		
(vi)	**Trust:**		
	Avenue Supermarts Limited Employees Group Gratuity Trust		

Transaction with related parties

(₹ in Crores)

	31st March, 2019	31st March, 2018
Remuneration to Directors / KMP	8.14	7.59
Sitting fees to Directors	0.23	0.15
Commission to Independent Directors	0.53	0.40
Mentor fees	₹ 1	₹ 1
Repayment of loans	-	22.83
Loan taken	-	21.50
Balances as at:		
Other payable	0.30	0.30
Other receivables	0.07	0.07
Avenue E-Commerce Ltd. (Associate till 31st January, 2018)		
Sales	-	18.62
Business support service income	-	0.60
7 Apple Hotels Private Limited		
Rent and amenities service income	0.99	0.87
Employee welfare expenses	0.10	0.17
Reimbursement of expenses	0.30	-
Balances as at:		
Other receivables (Electricity reimbursement)	0.02	-
Other payables	0.01	0.01
Bombay Swadeshi Stores Limited		
Rent and amenities service income	0.18	0.27
Other receivables (Electricity reimbursement)	0.01	-
Derive Trading and Resorts Private Limited		
Employee welfare expenses	0.15	0.18
Balances as at:		
Other payables	-	0.11
Damani Estates and Finance Private Limited		
Reimbursement of expenses	-	0.02
Boutique Hotels India Private Limited		
Employee welfare expenses	-	0.38
Avenue Supermarts Limited Employees Group Gratuity Trust		
Contribution to trust	6.40	2.79

Note: Compensation to Directors of the group:

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crores)

Nature of Benefit	31st March, 2019	31st March, 2018
Short-term Employment Benefits	7.86	5.84
Post Employment Benefits	0.28	0.45
Sitting Fees	0.23	0.15
Commission to Independent Directors	0.53	0.40

The aforesaid amount does not include amount in respect of gratuity and leave as the same in not determinable.

Guarantees taken by the group from related parties:

(₹ in Crores)

Type of loan	31st March, 2019	31st March, 2018
Secured loans (Amount outstanding) (Personal guarantees of Mr. Radhakishan Damani and Mr. Gopikishan Damani)	-	23.29

35 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Crores)

	31st March, 2019	31st March, 2018
Current Assets		
Trade receivables	75.52	33.36
Inventories	1,600.24	1,147.04
Total current assets pledged as security	**1,675.76**	**1,180.40**
Non-current assets		
First charge		
Land	45.94	69.94
Building	161.92	219.10
Total non-current assets pledged as security	**207.86**	**289.04**
Total assets pledged as security	**1,883.62**	**1,469.44**

36 MSME disclosure

The details of amounts outstanding to Micro and Small enterprises under the Micro and Small Enterprises Development Act, 2006 (MSED Act), based on the available information with the Company are as under:

(₹ in Crores)

		31st March, 2019	31st March, 2018
1	Principal amount not due and remaining unpaid	5.30	1.12
2	Principal amount due and remaining unpaid	0.14	0.05
3	Interest due on (1) above and the unpaid interest	-	-
4	Interest due and payable for the period of delay other than (3) above	-	-

37 Lease disclosure

The group has entered into agreements for taking on lease certain office/store premises, warehouses. The lease term is for period ranging from 1 year to 30 years.

Premises taken on operating lease:

(₹ in Crores)

	31st March, 2019	31st March, 2018
Lease rent expenses recognised in the statement of Profit and Loss account	75.71	49.84
The total future minimum lease rent payable for the non cancellable period of lease at the Balance Sheet date:		
– For a period not later than one year	83.32	59.46
– For a period later than one year and not later than 5 years	216.54	163.30
– For a period later than five years	14.84	14.42

The initial non-cancellable period of lease contracts have been taken for the disclosure above.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

38 Contingent liabilities and commitments

(a) Contingent liabilities

Claims against the group not acknowledged as debts

(₹ in Crores)

	31st March, 2019	31st March, 2018
Income tax matters	0.03	0.11
Indirect tax matters	4.44	4.17

It is not practicable for the group to estimate the timings of cash outflows, if any in respect of above pending resolutions of the respective proceedings.

The group has reviewed all its pending litigation and proceedings and has adequately provided for where provisions are required and disclosed in contingent liabilities where applicable in it's financial statements. The group does not expect the outcome of these proceedings to have a materially adverse effect on it's financial results.

The group has process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, group has reviewed and ensured that adequate provision as required under any law/accounting stanadard for material forseeable losses on such long-term contracts has been made in the books of accounts.

The group is in the process of assessing retrospective applicability of the recent Supreme Court judgement on definition of basic wages for PF contributions. In absence of clarity, the group has not made any provisions for retrospective application of the said SC ruling.

(b) Capital commitments

(₹ in Crores)

	31st March, 2019	31st March, 2018
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) relating to stores under construction	1,807.56	1,096.47

39 Expenditure towards corporate social responsibility (CSR) activities

(₹ in Crores)

	31st March, 2019	31st March, 2018
Amount required to be spent as per Section 135 of the Act	16.61	10.63
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	16.77	10.73
Total	**16.77**	**10.73**

Amount spent during the year for corporate social responsibility (CSR) activities are in cash.

40 Segment reporting

The Group is primarily engaged in the business of retail trades through offline and online channels. There are no separate reportable segments as per IND AS 108 - Operating Segments.

41 The Group has not entered into any derivative transaction during the year. Unhedged foreign currency exposure at the end of the year is NIL.

42 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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The following reflects the profit and share data used in the basic and diluted EPS computation:

	31st March, 2019	31st March, 2018
Earnings per share has been computed as under:		
Profit for the year as per statement of Profit and Loss (₹ in Crores):	902.54	806.26
Weighted average number of equity shares outstanding for basic EPS	624,084,486	624,084,486
Add: Weighted average number of potential equity shares on account of employee stock option schemes	8,972,124	7,999,253
Weighted average number of equity shares outstanding for dilutive EPS	**633,056,610**	**632,083,739**
Earnings Per Share (₹) - Basic (Face value of ₹ 10 per share)	14.46	12.92
Earnings Per Share (₹) - Diluted (Face value of ₹ 10 per share)	14.26	12.76

43 (a) Capital risk management

For the purpose of the group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective is to maximise the shareholders value.

The group manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants. The group has raised capital by issue of equity shares through an IPO in the financial year ended 31st March, 2017. Certain proceeds from the IPO have been used for repayment of borrowings which have significantly reduced the group's borrowings.

The capital structure is governed by policies approved by the Board of Directors and is monitored by various matrices funding requirements are reviewed periodically.

(b) Dividends

The group has not paid any dividend since its incorporation.

44 Fair values and fair value hierarchy

The carrying amounts of trade receivables, cash and cash equivalents, bank balance other than cash and cash equivalents, other financial assets, trade payables, capital creditors are considered to be same as their fair values, due to their short-term nature.

The carrying value of borrowings, deposits given and taken and other financial assets and liabilities are considered to be reasonably same as their fair values. These are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobseravable inputs including counter party credit risk.

45 Share-based payments

(a) Employee stock option plan of Avenue Supermarts Limited

During the year ended 31st March, 2017, the Company had instituted an Avenue Supermarts Limited Employee Stock Option Scheme, 2016 ("the Scheme") as approved by the Board of Directors dated 23rd July, 2016 for issuance of stock option to eligible employee of the Company and of its subsidiaries.

Pursuant to the said scheme, Stock options convertible into Nil (Previous year: Nil) equity shares of ₹ 10 each were granted to eligible employee at an exercise prices of ₹ 299/- being price at which fresh issue of shares made in initial public offer (IPO).

Subject to terms and condition of the scheme, options are classified into three categories.

	Option A	Option B	Option C
No. of options	2,772,525	5,001,075	6,199,725
Method of accounting	Fair value	Fair value	Fair value
Vesting plan	9 years	6 years	2.5 years
Grant date	14th March, 2017	14th March, 2017	14th March, 2017
Exercise/Expiry date	13th March, 2026	13th March, 2023	13th September, 2019
Grant/Exercise price	₹ 299.00	₹ 299.00	₹ 299.00
Method of settlement	Equity - settled	Equity - settled	Equity - settled

Exercise period, would commence from the date of options are vested and will expire at the end of three months from the date of vesting.

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to the Consolidated Financial Statements for the year ended 31st March, 2019

Movement of options granted

	31st March, 2019		31st March, 2018	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	299.00	12,990,975	299.00	13,889,025
Granted during the year	299.00	-	299.00	-
Exercised during the year	299.00	-	299.00	-
Forfeited during the year	299.00	743,100	299.00	896,850
Vested		14,400		1,200
Closing balance		**12,233,475**		**12,990,975**

The model inputs for fair value of option granted as on the grant date:

Inputs	Option A	Option B	Option C
Exercise price	₹ 299.00	₹ 299.00	₹ 299.00
Dividend yield	0%	0%	0%
Risk free interest rate	6.98%	7.24%	6.77%
Expected volatility	14.22%	14.22%	14.22%
Fair value per option	₹ 144.94	₹ 112.93	₹ 58.63
Model used	Black Scholes	Black Scholes	Black Scholes

(b) Employee stock option plan of Avenue E-Commerce Limited

During the year ended 31st March, 2018, the Company has instituted an Avenue E-Commerce Limited Employee Stock Option Scheme, 2018 ("the Scheme") as approved by the Board of Directors dated 2nd February, 2018 and the resolution of shareholders dated 15th February, 2018 for issuance of stock option to eligible employee of the Company and of its holding company.

Pursuant to the said scheme, Stock options convertible into 5,183,600 equity shares of ₹ 10 each were granted to eligible employee at an exercise prices of ₹ 11.30.

Subject to terms and condition of the scheme, options are classified into two categories.

	Option A	Option B
No. of options	3,423,800	1,759,800
Method of accounting	Fair value	Fair value
Vesting plan	8 years and 2 months	5 years and 2 months
Grant date	15th March, 2018	15th March, 2018
Exercise/Expiry date	14th May, 2026	14th May, 2023
Grant/Exercise price	₹ 11.30	₹ 11.30
Method of settlement	Equity - settled	Equity - settled

Exercise period, would commence from the date of options are vested and will expire at the end of three months from the date of vesting.

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Movement of options granted

	31st March, 2019		31st March, 2018	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	11.30	5,159,600	-	-
Granted during the year	11.30	-	11.30	5,183,600
Exercised during the year	11.30	-	11.30	-
Forfeited during the year	11.30	550,000	11.30	24,000
Vested	11.30	-	11.30	-
Closing balance		**4,609,600**		**5,159,600**

The model inputs for fair value of option granted as on the grant date:

Inputs	Option A	Option B
Exercise price	₹ 11.30	₹ 11.30
Dividend yield	0%	0%
Risk free interest rate	7.90%	7.60%
Expected volatility	57.40%	59.90%
Fair value per option	₹ 11.30	₹ 11.30
Model used	Black Scholes	Black Scholes

Expense arising from equity settled share based payments transactions:

(₹ in Crores)

	31st March, 2019	31st March, 2018
Avenue Supermarts Limited	16.61	21.23
Align Retail Trades Private Limited	0.21	0.27
Avenue E-Commerce Limited	0.33	0.02
Recognised in the statement of profit or loss	**17.15**	**21.52**

46 Post retirement benefit plans

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

Defined Benefit Plan

The company operates a gratuity plan wherein every employees entitled to the benefit equivalent to fifteen days salary last drawn for each year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vest after five years of continuous service. The gratuity paid is governed by The Payment of Gratuity Act,1972. The company contibutes to the fund based on actuarial report details of which is available in the table of investment pattern of plan asset, based on which the Company is not exposed to market risk. The following table summarises the component of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for respective period.

1 **Change in the present value of Defined Benefit Obligation are as follows**

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Present Value of Benefit Obligation at the Beginning of the year	14.91	10.99
Interest Cost	1.14	0.75
Current Service Cost	3.39	2.71
Past Service Cost	-	0.45
(Benefit Paid Directly by the Employer)	(0.42)	(0.57)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.14)	(0.04)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.50	(0.71)
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.87	1.33
Present Value of Benefit Obligation at the End of the year	**21.25**	**14.91**

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2 **Change in fair value of plan assets**

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Fair Value of Plan Assets at the Beginning of the year	10.95	7.75
Interest on plan asset	0.84	0.52
Contributions by the Employer	6.40	2.79
	(0.14)	-
Return on Plan Assets, Excluding Interest Income	0.38	(0.11)
Fair Value of Plan Assets at the End of the year	**18.43**	**10.95**

3 **Change in fair value of Assets and Obligations**

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Present Value of Benefit Obligation at the end of the year	(21.25)	(14.91)
Fair Value of Plan Assets at the end of the year	18.43	10.95
Amount recognised in the Balance Sheet (Surplus/ (Deficit))	**(2.82)**	**(3.96)**
Net liability is bifurcated as follows:		
Current liability	(2.82)	(3.96)
Non-Current liability	-	-
Net liability	**(2.82)**	**(3.96)**

4 **Net benefit expenses recognised during the year**

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
In the statement of profit and loss		
Current Service Cost	3.39	2.71
Interest on Defined benefit obligation	0.30	0.21
Past Service Cost	-	0.45
Net Cost	**3.69**	**3.37**
In Other Comprehensive Income		
Actuarial (Gains)/Losses on Obligation For the year	2.37	0.59
Return on Plan Assets, Excluding Interest Income	(0.38)	0.11
Net (Income)/Expense For the year Recognised in OCI	**1.99**	**0.70**

5 All investment of plan asset are done in M/s Avenue Supermarts Limited Employees Group Gratuity Trust which is governed by Board of Trustees.

6 **The principal assumptions in determining gratuity defined benefit obligation for the Company are as follows**

	As at 31st March, 2019	As at 31st March, 2018
Expected Return on Plan Assets	7.22%	7.65%
Rate of Discounting	7.22% - 7.78%	7.65% - 7.87%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	2% - 15%	2% - 15%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

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The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

7 **The expected contributions for Defined Benefit Plan for the future years is as follows:**

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	2.16	1.60
2nd Following Year	2.32	1.64
3rd Following Year	2.47	1.73
4th Following Year	2.68	1.79
5th Following Year	2.47	1.89
Sum of Years 6 To 10	9.69	7.04
Sum of years 11 and above	14.78	10.64

8 **Sensitivity Analysis**

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Projected Benefit Obligation on Current Assumptions	21.25	14.91
Delta Effect of +1% Change in Rate of Discounting	(1.16)	(0.80)
Delta Effect of -1% Change in Rate of Discounting	1.31	0.90
Delta Effect of +1% Change in Rate of Salary Increase	1.23	0.86
Delta Effect of -1% Change in Rate of Salary Increase	(1.13)	(0.78)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.19)	(0.13)
Delta Effect of -1% Change in Rate of Employee Turnover	0.21	0.13

There has been no change from the previous year in the method and assumptions used in perparing the sensitivity analysis.

These plans typically exposed the Company to acturial risks such as Interest risk, Salary risk, Investment risk, Asset liability matching risk and Mortality risk.

Gratuity is a defined benefit plan and company is exposed to the Following Risks:
Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

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Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines. Para 139 (c) Characteristics of defined benefit plans

47 Financial risk management

Financial risk management objectives and policies

The group's financial principal liabilities comprises borrowings, trade payables and other payables. The main purpose of these financial liabilities to finance the group's operation. The group's main financial assets includes trade and other receivable, cash and cash equivalent, other bank balances derived from its operations.

In addition to risks inherent to our operations, we are exposed to certain market risks including change in interest rates and fluctuation in currency exchange rates.

A) Market Rate Risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rate.

The group's exposure to the risk of changes in market interest rates relates to primarily to group's borrowing with floating interest rates. The group's fixed rates of borrowing are carried at amortised cost. They are not subject to interest rate risk as defined in Ind AS 107, since neither carrying amount not the future cash flows will fluctuate because of a change in market interest rate. The group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to interest rate risk

(₹ in Crores)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Borrowings bearing variable rate of interest	157.70	7.25

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on affected portion of loans and borrowings. With all other variables held constant, the group's profit before tax is affected through the impact on variable rate borrowing as follows:

A change of 50 bps in interest rates would have following Impact on profit before tax

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
50 bp increase- decrease in profits	(0.79)	(0.04)
50 bp decrease- Increase in profits	0.79	0.04

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivable) and from its financial activities including deposits with banks and financial institution.

Credit risk from balances with banks is managed by the group's treasury department in accordance with group's policy.

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Since group operates on business model of primarily cash and carry, credit risk from receivable perspective is insignificant.

Liquidity risk

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time, or at a reasonable price. Processes and policies related to such risk are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity patterns of borrowings

(₹ in Crores)

	As at 31st March, 2019			
	0-1 years	**1-5 years**	**Beyond 5 years**	**Total**
Long term borrowings (Including current maturity of long-term debt)	270.33	125.67	-	396.00
Short term borrowings	304.15	-	-	304.15
Expected interest payable	37.24	6.79	-	44.03
Total	**611.72**	**132.46**	**-**	**744.18**

(₹ in Crores)

	As at 31st March, 2018			
	0-1 years	1-5 years	Beyond 5 years	Total
Long term borrowings (Including current maturity of long-term debt)	186.00	246.00	-	432.00
Short term borrowings	7.25	-	-	7.25
Expected interest payable	39.15	28.17	-	67.32
Total	**232.40**	**274.17**	**-**	**506.57**

Maturity patterns of other financial liabilities

(₹ in Crores)

	As at 31st March, 2019					
	Overdue/ payable on demand	**0-3 months**	**3-6 months**	**6 months to 12 months**	**beyond 12 months**	**Total**
Trade payable	463.27	-	-	-	-	463.27
Payable related to capital goods	69.78	-	-	-	-	69.78
Other financial liabilities (current and non current)	83.60	-	-	-	0.78	84.38
Total	**616.65**	**-**	**-**	**-**	**0.78**	**617.43**

(₹ in Crores)

	As at 31st March, 2018					
	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	Beyond 12 months	Total
Trade payable	317.28	-	-	-	-	317.28
Payable related to capital goods	31.88	-	-	-	-	31.88
Other financial liabilities (current and non current)	119.05	-	-	-	0.78	119.83
Total	**468.21**	**-**	**-**	**-**	**0.78**	**468.99**

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48 Business combinations and acquisitions of non-controlling interests

On 25th January 2018, the Company (together referred to as 'Purchaser') entered into share purchase agreement with promoters of Avenue E-commerce Limited (together referred to as 'Seller') and has acquired an additional stake of 50.79% equity interest in its associate Avenue E-commerce Limited (AEL).

The consideration paid for the acquisition is ₹ 49.21 Crores in cash. The group has paid the cash consideration and the shares have been transferred on 2nd February, 2018 and for convenience purpose 1st February, 2018 has been designated as the acquisition date. Prior to the step up acquisition, the group accounted for 49.21 % interest in Avenue E-commerce Limited as an equity method investment.

With the additional stake Avenue E-commerce Limited ceases to be an associate with effect from 2nd February, 2018 and is a subsidiary of the Company.

Avenue E-commerce Limited is engaged in the business of online retail of food products and groceries.

The acquisition of AEL has been accounted in accordance with Ind AS 103- Business Combinations. Accordingly the group has re-measured the existing 49.21% interest in the assets and liabilities of AEL held prior to this transaction to their fair value and has recorded a gain of ₹ 38.52 Crores as gain on fair value of pre-existing equity interest in the associate in the Consolidated Statement of Profit and Loss.

	(₹ in Crores)
Fair value of previously held equity interest in the associate	47.67
Carrying value of the associate as at the acquisition date	9.15
Resulting gain on fair value of pre- existing equity share	38.52

As per para 18 of Ind AS 103- Business Combinations, the acquired assets have been fair valued by the management. Fair value of assets has been carried our on "Fair Market Value" basis which has been done using the replacement cost method. The group has recognised and measured the goodwill acquired in business combination as per IND AS 103 and has aggregated the fair values of net assets acquired and reduced the amount of total consideration paid for the acquisition of the subsidiary so as to derive the amount attributable to goodwill. No identifiable intangible assets has been identified by the group.

Assets acquired and liabilities assumed

The fair values of identifiable assets and liabilities as at the date of acquisition are as follows:-

	(₹ in Crores) As at 31st January, 2018
Assets	
Non-current assets	
Property, plant and equipment	12.91
Capital work-in-progress	0.02
Intangible assets	23.48
Financial assets	
Other non-current financial assets	1.19
Other non-current assets	1.26
Current assets	
Inventories	3.32
Financial assets	
Investments	2.00
Trade receivables	0.01
Cash and cash equivalents	1.95
Other current financial assets	0.11
Other current assets	3.07
	49.32

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to the Consolidated Financial Statements for the year ended 31st March, 2019

	(₹ in Crores) As at 31st January, 2018
Liabilities	
Non-current liabilities	
Provisions	0.52
Current liabilities	
Financial liabilities	
Borrowings	21.00
Trade payables	1.81
Other current financial liabilities	6.94
Other current liabilities	0.40
Provisions	0.04
	30.71
Total identifiable net assets as on date of acquisition	**18.61**

A transaction cost of ₹ 20.83 lakhs has been recognised in the Consolidated Statement of Profit and Loss.

	(₹ in Crores)
Fair value of previously held equity interest in the associate	47.67
Purchase consideration paid for acquisition	49.21
Less: Net assets taken over	(18.61)
Goodwill on acquisition	78.27

The Goodwill of ₹ 78.27 Crores comprises the expected value to be derived from selling goods under the online channel of AEL arising from the acquisition which is not separately recognised.

From the date of acquisition, AEL has contributed ₹ 11.92 Crores of revenue and ₹ 0.46 Crores loss before tax to the group. If the combination had taken place at the beginning of the year, revenue from operations would have been ₹ 44.44 Crores and loss before tax ₹ 23.46 Crores.

Analysis of Cash flows on acquisition

Transaction cost of the acquisition (included in cash flow from operating activities)- ₹ 21 Crores

Purchase Consideration paid in Cash (included in cash flow from investing activities)- ₹ 49.21 Crores

49 For disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

		As at 31st March, 2019 Net assets i.e. total assets minus total liabilities		As at 31st March, 2019 Share in total comprehensive income	
	Name of the entity	As a % of consolidated net assets	(₹ in Crores)	As a % of consolidated net assets	(₹ in Lakhs)
	Parent				
	Avenue Supermarts Limited	97.75%	5,594.48	103.85%	935.08
	Subsidiaries				
1	Align Retail Trades Private Limited	1.05%	59.78	1.12%	10.10
2	Avenue Food Plaza Private Limited	0.33%	18.92	0.63%	5.67
3	Nahar Seth & Jogani Developers Private Limited	0.04%	2.41	0.05%	0.48
4	Avenue E-Commerce Limited	0.83%	47.45	-5.65%	(50.89)
5	Reflect Wholesale and Retail Private Limited	0.00%	0.10	0.00%	-
	Subtotal		**5,723.14**		**900.44**
	Inter company elimination and consolidation adjustments		(135.13)		0.71
	Grand total		**5,588.01**		**901.15**
	Minority interest		0.56		(0.08)

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to the Consolidated Financial Statements for the year ended 31st March, 2019

	Name of the entity	As at 31st March, 2018 Net assets i.e. total assets minus total liabilities As a % of consolidated net assets	(₹ in Crores)	As at 31st March, 2018 Share in Profit or Loss As a % of consolidated net assets	(₹ in Crores)
	Parent				
	Avenue Supermarts Limited	98.30%	4,642.71	99.61%	784.14
	Subsidiaries				
1	Align Retail Trades Private Limited	0.37%	17.34	0.72%	5.70
2	Avenue Food Plaza Private Limited	0.28%	13.25	0.53%	4.18
3	Nahar Seth & Jogani Developers Private Limited	0.04%	1.93	0.06%	0.48
4	Avenue E-Commerce Limited	1.01%	47.82	-0.92%	(7.28)
	Subtotal		**4,723.05**		**787.22**
	Inter company elimination and consolidation adjustments		(53.36)		0.08
	Grand total		**4,669.69**		**787.30**
	Minority interest		0.64		0.02
	Share of net loss in associates				(20.04)
	Gain on fair valuation of pre existing equity interest in an associate				38.52

50 Events after the reporting period

The group has evaluated subsequent events from the balance sheet date through 11th May, 2019, the date at which the financial statements were available to be issued, and determined that there are no material items to disclose other than those disclosed above.

51 Ind AS issued and effective from current year

Ind AS 115: Revenue from Contracts with Customers

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The group adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1st April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The group elected to apply the standard to all contracts as at 1st April 2018.

The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.

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to the Consolidated Financial Statements for the year ended 31st March, 2019

1. **Disaggregated revenue information:**
Set out below is the disaggregation of the group's revenue from contracts with customers:

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Type of goods or service		
Sale of goods	21,906.32	16,459.51
Sale of goods on approval basis net of COGS	11.60	10.48
Other operating income	37.19	35.18
Tax	(1,950.59)	(1,471.97)
Total revenue from contract with customers	**20,004.52**	**15,033.20**
India	20,004.52	15,033.20
Outside India	-	-
Total revenue from contract with customers	**20,004.52**	**15,033.20**
Timing of revenue recognition		
Goods transferred at a point in time	19,967.33	14,998.02
Services transferred over time (Other operating income)	37.19	35.18
Total revenue from contract with customers	**20,004.52**	**15,033.20**

2. **Contract balances:**

(₹ in Crores)

	As at 31st March, 2019	As at 31st March, 2018
Trade receivables	64.37	33.52
Contract assets	-	-
Contract liabilities	0.40	0.77

52 Ind AS issued but not effective

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard which the group intends to adopt, when they become effective.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination. The interpretation is effective for annual reporting periods beginning on or after 1st April 2019, but certain transition reliefs are available. These amendments are not applicable to the Company.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1st April 2019. These amendments are not applicable to the group.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1st April 2019. These amendments are not applicable to the group.

Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests).

This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests. The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after 1st April 2019. Since the group does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its financial statements.

Annual improvement to Ind AS (2018);

These improvements include:

Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation
The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st April 2019. These amendments are not applicable to the group.

Amendments to Ind AS 111: Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1st April 2019. These amendments are not applicable to the group.

Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1st April 2019. Since the group's current practice is in line with these amendments, the group does not expect any effect on its financial statements.

Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1st April 2019. Since the group's current practice is in line with these amendments, the group does not expect any effect on its financial statements.

Ind AS 116: Leases

Ind AS 116 Leases was notified by MCA on 30th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The group will implement Ind AS 116 from 1st April 2019 by applying the modified retrospective approach, meaning that the comparative figures in the financial statements for the year ending 31st March 2019 will not be restated to show the impact of Ind AS 116.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2019

The operating leases which will be recorded on the balance sheet following implementation of Ind AS 116 are principally in respect of leasehold premises and other identified assets representing right to use as per contracts excluding low value assets and short-term leases of 12 months or less.

The anticipated impact of the standard on the group is not yet known though is not expected to be material on the income statement or net assets though assets and liabilities will be grossed up for the net present value of the outstanding operating lease liabilities as at 1st April 2019. See note 37 for information on operating lease commitments.

53. The previous year numbers have been reclassified wherever necessary.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number 324982E/E300003

per Vijay Maniar
Partner
Membership No. 36738

Thane, 11th May, 2019

For and on behalf of Board of Directors of
Avenue Supermarts Limited

Ignatius Navil Noronha
Managing Director and
Chief Executive Officer
DIN: 01787989

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN: 00246480

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Thane, 11th May, 2019

Notice of the 19th Annual General Meeting

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of Avenue Supermarts Limited will be held on Tuesday, 20th August, 2019 at 11.00 A.M. at Nehru Centre Auditorium, Discovery of India Building, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS:

1. **Adoption of Accounts:**

   a) To receive, consider and adopt the standalone audited financial statements of the Company for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon;

   b) To receive, consider and adopt the consolidated audited financial statements of the Company for the financial year ended 31st March, 2019 together with the Reports of Auditors thereon;

2. **Retire by Rotation:**

   To appoint a Director in place of Mrs. Manjri Chandak (DIN: 03503615), who retires by rotation and being eligible, offers herself for re-appointment;

SPECIAL BUSINESS:

3. **Offer and Issue of Secured, Rated, Cumulative, Redeemable, Non-Convertible Debentures:**

   To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 42 and 71 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Companies Act, 2013"), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable rules under the Companies Act, 2013 (including statutory modification thereof and any circulars, notifications, clarifications, rules passed thereunder from time to time) and in accordance with the Memorandum and Articles of Association of the Company, and subject to such approvals, consents, sanctions, permissions, laws, rules, regulations, guidelines, as may be necessary from all appropriate statutory and regulatory authorities and subject to such conditions and modifications as may be prescribed by the respective statutory and/or regulatory authorities while granting such approvals, consents, sanctions, permissions and subject to the total borrowings of the Company not exceeding the borrowing powers approved by the members under Section 180(1)(c) of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to the Board (hereinafter which term shall be deemed to include any Committee constituted/ to be constituted by the Board to exercise its powers, including the powers conferred by this resolution) to offer, issue and allot Secured, Rated, Cumulative, Redeemable Non-Convertible Debentures (the "Debentures") aggregating up to ₹ 15,000,000,000/- (Rupees One Thousand Five Hundred Crore only) in one or more tranches (to such persons who may or may not be debenture holders of the Company), during a period of one year from the conclusion of this meeting and with such ranking and seniority and on such other terms and conditions as the Board of Directors, may approve or authorize, in the exercise of its authority and discretion in terms of this resolution.

   RESOLVED FURTHER THAT the powers may be delegated to the Operations Committee of the Company, a committee duly constituted by the Board of Directors of the Company and that the Operations Committee be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution and including without limitation, for matters connected therewith or incidental thereto and to sign and execute any deeds/ documents/ undertakings/ agreements/ papers/writing, as may be required in this regard."

4. **Issuance of up to 25,000,000 equity shares through Qualified Institutions Placement:**

   To consider, and if thought fit, to pass, with or without modifications, the following resolution as **Special Resolution**

   "RESOLVED THAT pursuant to the provisions of Sections 23, 42, 62(1)(c), 179 and other applicable provisions, if any, of the Companies Act, 2013 ("Companies Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment thereof), the provisions of the Memorandum of Association and the Articles of Association of the Company and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations, 2018, as amended ("SEBI Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), the listing agreements entered into by the Company with the stock exchanges on which the equity shares having face value of ₹10 each of the Company ("Equity Shares") are listed, the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations framed there under as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended, the Reserve Bank of India Master Directions on Foreign Investment in India, 2018, as amended, the current Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and subject to other applicable rules, regulations and guidelines issued by the Ministry of Corporate Affairs, the relevant Registrar of Companies, Securities and Exchange Board of India ("SEBI"), Reserve Bank of India, Government of India, BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") and/or any other competent authorities (herein referred to as "Applicable Regulatory Authorities"), from time to time and to the extent applicable, and subject to such approvals, permissions, consents and sanctions as may be necessary or required from the Applicable Regulatory Authorities in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and/ or sanctions, which may be agreed to by the Board of Directors ("Board", which term shall include any committee thereof which the Board may have duly constituted or may hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent, authority and approval of the Company be and is hereby accorded to the Board, for the purposes of raising further capital and to achieve the minimum public shareholding requirements prescribed by SEBI, to create, offer, issue and allot (including with provisions for reservations on firm and/ or competitive basis, or such part of issue and for such categories of persons, including employees, as may be permitted) up to 25,000,000 (Two crore and fifty lacs) Equity Shares, by way of qualified institutions placement ("QIP") through issue of placement document and/or other permissible/ requisite offer documents to any eligible person, including qualified institutional buyers ("QIBs") in accordance with Chapter VI of the SEBI Regulations, foreign/resident investors (whether institutions, incorporated bodies, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign portfolio investors, mutual funds, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the "Investors"), as may be decided by the Board in its discretion and as permitted under applicable laws and regulations, at such time or times, at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such creation, offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/ or other advisor(s) as the Board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT pursuant to Chapter VI of the SEBI Regulations,

(a) the allotment of the Equity Shares, shall be completed within 365 days from the date of passing of the special resolution by the Members or such other time as may be allowed under the SEBI Regulations from time to time;

(b) the Equity Shares shall not be eligible to be sold by the allottee for a period of one year from the date of allotment, except on a recognised stock exchange, or such other time as may be permitted from time to time under the SEBI Regulations;

(c) the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board/ Committee decides to open the issue of Equity Shares and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI Regulations; and

(d) the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI Regulations.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:

a) the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

b) the Equity Shares, to be so created, offered, issued and allotted in terms of this resolution shall rank *paripassu* in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint lead manager(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors and all such agencies as are or may be required to be appointed, involved or concerned in the Issue and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc., with such agencies.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient including application to Stock Exchanges for obtaining of in-principle approval, listing of shares, filing of requisite documents with the Registrar of Companies, appointment of legal advisors/solicitors, bankers, depositories, custodians, registrars, trustees, stabilizing agents and/or any other advisors, professionals, agencies as may be required, to negotiate/ modify/ execute/ deliver and/ or sign any declarations, offer letters, prospectuses, information memorandum, agreements, deeds, forms and such other documents as may be necessary in this regard and to resolve and settle any questions and difficulties that may arise in the proposed creation, offer, issue and allotment of the Equity Shares and utilization of issue proceeds without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to committee of the Board or any such persons as the Board may deem fit in its absolute discretion, with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the QIP and settle any questions or difficulties that may arise in regard to the QIP."

5. Ratification of the Avenue Supermarts Limited Employee Stock Option Scheme 2016 (the "ESOP Scheme")

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (the "Companies Act"), the Memorandum and Articles of Association of Avenue Supermarts Limited (the "Company"), the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended (the "SEBI ESOP Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), and any other applicable laws for the time being in force and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any duly constituted committee, including the ESOP Committee constituted by the Board to exercise its powers conferred by this resolution) the Avenue Supermarts Limited Employee Stock Options Scheme 2016 (the "ESOP Scheme") for the grant of stock options exercisable into not more than 14,000,000 equity shares of ₹ 10/- each of the Company, which have been granted to the employees of the Company and the subsidiaries of the Company in accordance with the Companies Act, the SEBI ESOP Regulations, provisions of the ESOP Scheme or other provisions of law as may be prevailing at that time be and is hereby ratified.

RESOLVED FURTHER THAT in case of any corporate action(s) resulting in increase or decrease in the number of issued equity shares of the Company on account of any sub-division, consolidation or rights issue or bonus issues, or other similar change in the capital of the Company (with or without payment of any consideration), as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the above ceiling of 1,40,00,000 equity shares of the Company shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the ESOP Scheme and the exercise price of Options granted under the ESOP Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹10 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Options under the ESOP Scheme.

RESOLVED FURTHER THAT the Board may issue and allot equity shares upon exercise of Options from time to time and such equity shares shall rank *paripassu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board may do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP Scheme at any stage including at the time of listing of the equity shares issued herein.

RESOLVED FURTHER THAT the Board may make any modifications, changes, variations, alterations or revisions in the ESOP Scheme, as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP Scheme from time to time in conformity with the provisions of the Companies Act and other applicable laws unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted Options under the ESOP Scheme

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, Mr. Ignatius Navil Noronha - Managing Director and CEO, Mr. Ramakant Baheti - Whole-time Director and Group CFO, Mr. Niladri Deb - CFO and Ms. Ashu Gupta – Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, expedient or proper to settle any questions, difficulties or doubts that may arise in this regard."

6. Ratification of Employee Stock Options granted to the employees of the Subsidiary Company(ies) under Avenue Supermarts Limited Employee Stock Option Scheme 2016

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the "Companies Act"), the Memorandum and Articles of Association of Avenue Supermarts Limited (the "Company"), the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended (the "SEBI ESOP Regulations"), and any other applicable laws for the time being in force and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any duly constituted committee, including the ESOP Committee constituted by the Board to exercise its powers conferred by this resolution) consent of the members of the Company (the "Members") be and is hereby accorded to ratify the grant of Employee Stock Options under the Avenue Supermarts Limited Employee Stock Options Scheme 2016 (the "ESOP Scheme") to such persons who are the permanent employees working in India or outside India, including managing or whole-time directors of the subsidiaries of the Company (the "Subsidiaries"), at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the Companies Act, the SEBI ESOP Regulations, provisions of the ESOP Scheme or other provisions of law as may be prevailing at that time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, Mr. Ignatius Navil Noronha - Managing Director and CEO, Mr. Ramakant Baheti - Whole-time Director and Group CFO, Mr. Niladri Deb - CFO and Ms. Ashu Gupta – Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in their absolute discretion, deem necessary, expedient or proper to settle any questions, difficulties or doubts that may arise in this regard."

By order of the Board of Directors of
Avenue Supermarts Limited

Ashu Gupta
Company Secretary
Membership No. A13449

Place: Thane
Date: 10th June, 2019

Registered Office:
Anjaneya CHS Limited, Orchard Avenue
Opp. Hiranandani Foundation School,
Powai, Mumbai – 400 076
CIN: L51900MH2000PLC126473
Tel No.: 022-40496500
Fax No.: 022-40496503
Email Id: investorrelations@dmartindia.com
Website: www.dmartindia.com

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of total share capital of the Company carrying voting rights. A member holding more than ten percent, of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.

   The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Annual General Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

2. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.

3. Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, concerning the special business in the Notice of this Annual General Meeting is annexed hereto and forms part of this Notice.

4. At the 17th Annual General Meeting held on 6th September, 2017 the members approved appointment of S R B C & Co. LLP, Chartered Accountants (Firm Registration No.: 324982E/E300003) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 22nd AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7th May, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

5. Statement giving details of the Director seeking re-appointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Secretarial Standard on General Meeting ("SS-2").

6. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply to the same in the meeting.

7. Members/Proxies/ authorized persons attending the Annual General Meeting (AGM) of the Company are requested to hand over the attendance slip, duly filled in for admission to the AGM hall.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

9. Members holding shares in demat/electronic form are requested to write their Client ID and DP ID and those holding shares in physical form are requested to write their folio number in the attendance slip and deliver duly signed attendance slip at the entrance of the meeting hall.

10. Members may also note that the Notice of the 19th Annual General Meeting and the Company's Annual Report 2018-19 will be available on the Company's website, www.dmartindia.com. All the relevant documents referred to in this AGM Notice and Explanatory Statement etc. shall remain open for inspection purpose at the Registered Office of the Company during its business hours on all working days up to the date of AGM.

11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

12. The Register of Members and Transfer Books of the Company will be closed from Wednesday, 14th August, 2019 to Tuesday, 20th August, 2019 (Both days inclusive).

13. Members holding shares of the Company as on Tuesday, 13th August, 2019, shall be entitled to vote at the Annual General Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

14. The annual accounts of the subsidiaries shall be available at the Registered Office of the Company for inspection by any member. The copies of the accounts of subsidiaries required by any members will be provided on written request to the Company Secretary at the Registered Office of the Company.

15. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the financial year 2018-19 are being sent by e-mail to those Members who have registered their e-mail address with the Company or Registrar and Share Transfer Agent or Depository Participant unless any Member has requested for the hard copy of the same. Physical copies of the Annual Report will be sent by way of permitted modes in case where the email addresses of the Members are not registered.

16. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, Link Intime India. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agent, Link Intime (India) Private Limited at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083.

17. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent, Link Intime (India) Private Limited.

18. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Link Intime (India) Private Limited for assistance in this regard.

    Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime (India) Private Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

19. Webcast Facility:

    The Company will be providing a facility to view the live streaming of the AGM Webcast on the NSDL website. You may access the same at https://www.evoting.nsdl.com by using your remote e-voting credentials. The link will be available in shareholder login where the EVEN of Company will be displayed.

    The Webcast facility will be available from 11.00 a.m. onwards on 20th August, 2019.

20. Voting Options:

    Remote e-voting

    In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Listing Regulations, the members are provided the facility to cast their votes electronically, through remote e-voting services, provided by National Securities Depository Limited ("NSDL"), on all resolutions set forth in this Notice.

    Voting at AGM

    The Members who have not cast their votes electronically can exercise their voting rights at the AGM. The Company shall make necessary arrangements in this regard at the AGM venue.

    The details of the process and manner for remote e-voting are as under:

    1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
    2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Members' section.
    3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

       Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
    4. Your User ID details are given below:
       a. If you are already registered with NSDL for remote e-voting then you can use your existing user ID for login.

b. In case of Member holding shares in demat account with NSDL, USER-ID is the combination of (DPID+Client ID).

c. In case of Member holding shares in demat account with CDSL, USER-ID is 16 Digit Beneficiary ID.

d. In case Member are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the. pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

10. After successful login, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

11. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

12. Select "EVEN" of company for which you wish to cast your vote.

13. Now you are ready for e-Voting as the Voting page opens.

14. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

15. Upon confirmation, the message "Vote cast successfully" will be displayed.

16. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

17. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for members

1. Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to hsk@rathiandassociates.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or

"Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990. Members can also contact Ms. Pallavi Mhatre, Assistant Manager, NSDL, to resolve any grievances with regard to e-voting, Tel no.: 022-2499 4545, email-id: pallavid@nsdl.co.in / evoting@nsdl.co.in.

Other instructions

1. The Company has appointed Mr. Himanshu S. Kamdar (Membership No.: 5171), Partner of M/s. Rathi & Associates, Practicing Company Secretaries, as scrutinizer (the 'Scrutinizer') for conducting the voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.

2. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

3. The members who have cast their vote by remote e-voting may attend the meeting but shall not be entitled to cast their vote again.

4. The remote e-voting period commences on Saturday, 17th August, 2019 (9:00 a.m.) and ends on Monday, 19th August, 2019 (5:00 p.m.). During this period members of the Company, holding shares as on the cut-off date of Tuesday, 13th August, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be forthwith blocked by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

5. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Tuesday, 13th August, 2019.

6. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Tuesday, 13th August, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.

7. A person, whose name is recorded in the register of members or in the register of beneficial owners as on the cut-off date, Tuesday, 13th August, 2019 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

8. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

9. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.dmartindia.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman/Managing Director or a person authorized by him in writing. The Company shall simultaneously forward the results to National Stock Exchange Limited of India and BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3:

The Company at its Annual General Meeting held on 28th August, 2018 had sought approval from the Members to borrow funds by way of issuance of Secured, Rated, Non-Convertible, Cumulative, Redeemable Debentures, on private placement basis for an amount not exceeding ₹ 15,000,000,000 (Rupees one thousand and five hundred crore only) during one year from the date of passing the Resolution i.e. 28th August, 2018.

In terms of the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules") as amended from time to time, a Company offering or making an invitation to subscribe to Non-Convertible Debentures on a private placement basis, is required to obtain prior approval of its Members by way of a Special Resolution.

In order to augment long-term resources for financing, inter alia, for the strategic business expansion in future and for general corporate purposes, the Board of Directors at its meeting held on 11th May, 2019 proposed to pass a enabling Resolution to allow the Company to offer Secured, Rated, Non-Convertible, Cumulative, Redeemable Debentures not exceeding ₹ 15,000,000,000 (Rupees one thousand and five hundred crore only) during the period of one year from the date of passing of the Special Resolution set out at Item No. 3, on a private placement basis at an interest rate that will be determined at the prevailing money market conditions at the time of the borrowing.

It is proposed to authorize the Board (hereinafter which term shall be deemed to include any Committee constituted/to be constituted by the Board), to offer or invite subscription for secured, rated, cumulative, redeemable non-convertible debentures, in one or more series / tranches on private placement basis from time to time, on such material terms and conditions and by securing such moveable and/ or immoveable assets of the Company as may be deemed necessary in their absolute discretion subject to applicable laws, rules, regulations and guidelines

The Directors and Promoters shall not subscribe to the said issue of Non-Convertible Debentures.

The aforesaid proposal is in the interest of the Company and the Board thus recommends and seeks approval of the Member on the resolution set out in Item No. 3 of the Notice by way of Special Resolution.

None of the Directors, Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

ITEM NO. 4:

In view of the future outlook of the Company, its growth targets and prospects, the Company requires additional funding inter alia, to augment long-term resources for financing and to meet the future expansion plans of the Company as well as for general corporate purposes. Further, in accordance with the requirement provided under Rules 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957, read with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to achieve minimum public shareholding within three years of listing of the equity shares of the Company on the stock exchanges, i.e. by 20th March, 2020. As of 30th April, 2019, the aggregate shareholding of the promoters and promoter group of the Company constitutes 81.20% of the total issued share capital of the Company. The Securities and Exchange Board of India, has prescribed qualified institutions placement (QIP) of securities, in accordance with Chapter VI of the SEBI Regulations as one of the modes of achieving minimum public shareholding requirements.

The Board of Directors (the "Board") at its meeting held on 11th May, 2019 sought the approval of the members of the Company (the "Members") to create, offer, issue and allot (including with provisions for reservations on firm and/ or competitive basis, or such part of issue and for such categories of persons, including employees, as may be permitted) up to 25,000,000 (Two crore and fifty lacs) Equity Shares, by way of QIP, at such time or times, at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions as may be deemed appropriate by the Board. The QIP is subject to the applicable regulations issued by the Securities and Exchange Board of India and any other government / regulatory approvals as may be required in this regard.

In order to enable the Company to access the capital market through the QIP, the approval of the Members is hereby sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013, as amended (the "Companies Act") as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI Regulations") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Equity Shares issued, if any, shall rank in all respects *paripassu* with the existing equity shares of the Company.

The QIP may be consummated in one or more tranches, at such time or times, at such price, at a discount or premium to market price in such manner and on such terms and conditions as the Board / Committee may in its absolute discretion decide taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with the lead manager(s) and other agencies and subject to SEBI Regulations and other applicable laws, regulations, rules and guidelines.

Since the pricing and other terms of the QIP cannot be decided, except at a later stage, an enabling resolution is being passed to give adequate flexibility and discretion to the Board / Committee to finalize the terms. The provisions for appointment of registered valuer are not applicable to the Company. However, the same would be in accordance with the SEBI Regulations or any other guidelines / regulations as may be applicable and in case of an issue of the Equity Shares to Investors pursuant to Chapter VI of the SEBI Regulations, the Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under Chapter VI of the SEBI Regulations, and the relevant date in this regard shall be the date on which the Board / Committee decides to open the QIP or such other time as may be allowed under the SEBI Regulations from time to time.

The proceeds of the QIP shall be utilized for any of the aforesaid purposes to the extent permitted by law.

The Directors, Promoters and any person related to the Promoters will not subscribe to the QIP, if made under Chapter VI of SEBI Regulations.

The aforesaid proposal is in the interest of the Company and the Board thus recommends resolution at Item No. 4 for approval of the Members as a Special Resolution.

None of the Directors of the Company or the Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed resolutions except to the extent of his/her holding of Equity Shares and to the extent of his/ her subscribing to Equity Shares if and when issued as also to the extent of subscription by a financial institution/ company/body corporate in which the KMPs, Director or his/her relatives may be directly or indirectly interested.

ITEM NO. 5 & 6:

The Board of Directors and Members, through its resolutions dated 23rd July, 2016 and 16th September, 2016, respectively, had approved the Avenue Supermarts Limited Employee Stock Option Scheme, 2016 (the "ESOP Scheme").

Special Resolutions under Item No. 5 & 6 are proposed to ratify the ESOP Scheme and Grant of Employee Stock Options to the employees of the Company and its Subsidiary Companies.

The Scheme is being formulated in accordance with the provisions of the Companies Act, 2013, as amended and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI ESOP Regulations"). The salient features of the ESOP Scheme in respect of the of grant of stock options made to the employees of the Company and the Subsidiaries and other details of the ESOP Scheme, are as under:

a) **Brief description of the ESOP Scheme**
The ESOP Scheme is called the Avenue Supermarts Limited Employee Stock Options Scheme 2016 and it extends its benefits to permanent employees working in India or outside India, including managing or whole-time directors of the Avenue Supermarts Limited (the "Company") and its Subsidiary Companies, ("Eligible Employees") in accordance with the applicable laws.

b) **Total number of stock options to be granted under the ESOP Scheme**
The total number of Options that may in the aggregate be granted to the Eligible Employees under the ESOP Scheme shall be such number that would entitle the grantees to acquire, in one or more tranches, such equity shares of the Company, not exceeding 14,000,000 equity shares of the Company to be issued under the Scheme (which number shall be adjusted in lieu of adjustments/ re-organisation of capital structure of the Company from time to time).

One Option shall entitle an employee to one equity share of the Company.

In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division split or consolidation and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional equity shares are issued by the Company to the grantees for making such fair and reasonable adjustment, the ceiling of 14,000,000 equity shares of the Company shall be deemed to be increased to the extent of such additional equity shares issued.

Options not vested due to non-fulfillment of the vesting conditions, vested Options which the grantees expressly refuse to exercise, Options (vested and not exercised and unvested) which have been surrendered and any Options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these Options or the underlying equity shares will be available for grant under the present Scheme or under a new scheme, subject to compliance with the provisions of the Applicable Law.

c) **Identification of classes of employees entitled to participate and be beneficiaries in the ESOP Scheme**
Eligible Employees have been identified by the Board/ ESOP Committee on parameters decided by the Board/ ESOP Committee at its discretion and in accordance with the ESOP Scheme. However, the following category of employees/ directors are not eligible to participate in the ESOP Scheme:

(i) An employee of the Company who is a promoter or belongs to the promoter group;

(ii) A directors who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company; and

(iii) Independent directors of the Company.

d) **Requirement of Vesting and period of Vesting**
Requirements for vesting: The Options shall vest in employees subject to continuing employment with the Company and compliance with the Scheme.

Vesting period for Options: The applicable vesting period shall be as decided by the ESOP Committee. However, there shall be a minimum period one year between the date of the grant and the vesting.

Upon an option grantee discontinuing to be in permanent employment of the Company of which it is an employee due to: (a) resignation of the option grantee, or (b) termination of services of the employee with Cause (as defined in the Scheme), by the Company, any unvested Options shall stand cancelled and the vested Options will be required to be exercised within a period as stipulated by the ESOP Committee.

e) **Maximum period within which the stock options/shares shall be vested**
The options under the scheme would vest subject to the maximum vesting period of nine years from the date of grant of options.

f) **Exercise price**
The exercise price is ₹ 299 per equity share as approved and adopted by the ESOP Committee.

g) **Exercise period and process of exercise**
The exercise period under the ESOP Scheme will commence from the date of vesting of stock options and will expire at the end of three months from such date or such other period as may be determined by the ESOP Committee. The stock options will be exercisable by the Eligible Employees by a written application to the Company accompanied by payment of the exercise price in such manner and on execution of such documents, as may be prescribed by the Board or ESOP Committee from time to time. The stock options will lapse if not exercised within the specified exercise period.

h) **Appraisal process for determining the eligibility of the employees for the ESOP Scheme**
The ESOP Committee determines process for ascertaining the eligibility of the Eligible Employees which includes, criteria such as grade and performance parameters, including number of years of employment with the Company.

i) **The Maximum number of stock options/shares to be granted per employee and in aggregate**
The maximum number of stock options that can be granted to any one Eligible Employee shall at no time exceed 1% of the issued capital of the Company. However the aggregate number of stock options to be issued shall at no time exceed 14,000,000 equity shares of the Company.

j) **The Maximum quantum of benefits to be provided per employee under the ESOP Scheme**
The maximum quantum of benefit that will be provided to Eligible Employees under the ESOP Scheme will be the difference between the exercise price paid by the Eligible Employee to the Company and the value of Company's share on the stock exchange on the date of exercise of stock options.

k) **Whether the ESOP scheme is to be implemented and administered directly by the Company or through a trust**
The ESOP Scheme shall be implemented and administered directly by the Company, through the ESOP Committee.

l) **Whether the ESOP Scheme involves new issue of shares or secondary acquisition by the trust or both**
The ESOP Scheme involves new issue of shares by the Company.

m) **The amount of loan to be provided for implementation of the ESOP Scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.**
Not applicable.

n) **The Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the ESOP Scheme**
Not applicable.

o) **Accounting and Disclosure Policies**
The Company shall comply with such applicable accounting standards/ policies as prescribed under the SEBI ESOP Regulations, Companies Act, 2013 and rules framed thereunder and as prescribed by the concerned authorities from time to time.

p) **The method which the Company shall use to value its stock options**
To calculate the employee compensation cost, the Company shall use the Fair Value method for valuation of the Options granted. Notwithstanding the above, the Company may adopt any other method as may be required under prevailing applicable laws.

q) **Declaration**
In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on EPS of the company shall also be disclosed in the Board's Report.

r) **Conditions under which vested stock options may lapse**

The stock options will lapse if not exercised within the specified exercise period. Certain conditions under which stock options vested in Eligible Employees may lapse, include (a) death of such Eligible Employee – in the event vested stock options granted are not exercised by the nominees; (b) termination of employment – in the event vested stock options granted are not exercised by such Eligible Employee within the specific time period.

The time period within which the Eligible Employee shall exercise the vested stock options in the event of a proposed termination of employment or resignation of Eligible Employees shall be as specified by the ESOP Committee. Other conditions under which vested stock options may are mentioned in the scheme.

Hence, the Board recommends and seeks approval for the resolutions set out in Item No. 5 & 6 of the Notice by way of Special Resolutions.

A copy of the ESOP Scheme is available for inspection to the members at the Registered of the Company during its business hours on all working days up to the date of AGM.

None of the Directors, Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5 & 6 of the Notice, except to the extent of equity shares that may be offered to them under the ESOP Scheme.

By order of the Board of Directors of
Avenue Supermarts Limited

Ashu Gupta
Company Secretary
Membership No. A13449

Place: Thane
Date: 10th June, 2019

Registered Office:
Anjaneya CHS Limited, Orchard Avenue
Opp. Hiranandani Foundation School,
Powai, Mumbai – 400 076
CIN: L51900MH2000PLC126473
Tel No.: 022-40496500
Fax No.: 022-40496503
Email Id: investorrelations@dmartindia.com
Website: www.dmartindia.com

DMart

ANNEXURE-A

DETAILS OF DIRECTOR RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE MEETING

1. Mrs. Manjri Chandak

Age	34 years
Date of appointment on the Board	31st March, 2011
Qualifications	B.Com. and Masters in Finance and Investments
Nature of expertise & experience	Mrs. Manjri Chandak did her Graduation from HR College of Commerce and Economics, Mumbai. Post her graduation she started her career as a Research Associate at ASK Investment Managers Private Limited, where she was largely working for equity market research. This rich experience helped her in pursuing Masters in Finance and Investments from University of Nottingham, UK, specializing in Retail Marketing. She has vast experience in the field of retail spanning across 10 years and in areas of operations, buying and merchandising. She has visited several fairs and made sourcing her key strength. Currently, she manages Bombay Swadeshi Stores Ltd., which is a chain of 20 handicraft retail stores, amongst the others in her portfolio.
Relationship with other Director/ Key Managerial Personnel	Not related to any Director/ Key Managerial Personnel
Terms and conditions of appointment/ re-appointment	Liable to retire by rotation
Remuneration last drawn	Refer to Directors' Report and Corporate Governance Report forming part of the Annual Report
Remuneration proposed to be paid	Mrs. Chandak being a Non-executive Director shall be paid sitting fees for attending Board and/ or Committee Meetings
Number of meetings of the Board attended during the financial year (2018-19)	5
Directorships held in other companies	• Avenue E-Commerce Limited • Bombay Store Retail Company Limited • Bombay Swadeshi Stores Limited • Align Retail Trades Private Limited • Reflect Wholesale & Retail Private Limited
Memberships / Chairmanships of committees of other companies	• **Avenue E-Commerce Limited** Finance & Operations Committee – Member ESOP Committee – Member • **Bombay Swadeshi Stores Limited** Stakeholders Relationship Committee - Chairman
No. of shares held in the Company	NIL

NOTES

D Mart

AVENUE SUPERMARTS LIMITED

Regd. Office: Anjaneya CHS Limited, Orchard Avenue,
Opp. Hiranandani Foundation School, Powai, Mumbai - 400 076
Tel No.:+91-22-40496500 **Fax No.:**+91-22-40496503
CIN: L51900MH2000PLC126473
E-mail Id: investorrelations@dmartindia.com **Website:** www.dmartindia.com

PROXY FORM

[Form No. MGT- 11]

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

Name of the member(s): ....

Registered address: ....

E-mail Id: ....

Folio No/ Client Id: ....DP ID: ....

I/ We, being the member (s) holding .... shares of the above named Company, hereby appoint

1. Name:.. E-mail Id:..
Address:..
.... Signature: .... or failing him
2. Name:.. E-mail Id: ....
Address:..
.... Signature: .... or failing him
3. Name:.. E-mail Id: ....
Address:..
....Signature: ....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 19th Annual General Meeting of the Company to be held on Tuesday, 20th August, 2019 at 11.00 A.M. at Nehru Centre Auditorium, Discovery of India Building, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai- 400 018 and at any adjournment thereof in respect of resolutions, as indicated below:

Item No.	Description	Type of resolution (Ordinary/ Special)	I/We assent to the resolution (For)*	I/We dissent to the resolution (Against)*
1	To receive, consider and adopt the Standalone and Consolidated Audited Accounts of the Company along with the reports of the Board of Directors and Auditors thereon.	Ordinary		
2	Re-appointment of Mrs. Manjri Chandak (DIN: 03503615) who retires by rotation and being eligible, has offered herself for re-appointment.	Ordinary		
3	To offer / issue secured, rated, cumulative, re-deemable, non-convertible debentures up to an amount not exceeding ₹ 15,000,000,000 crore (Rupees one thousand and five hundred crore only).	Special		
4	Issuance of up to 25,000,000 (Two crore and fifty lacs) Equity Shares through qualified institutions placement	Special		
5	Ratification of the Avenue Supermarts Limited Employee Stock Option Scheme 2016	Special		
6	Ratification of Employee Stock Options granted to the employees of the Subsidiary Company(ies) under Avenue Supermarts Limited Employee Stock Option Scheme 2016	Special		

Signed this .... day of .... 2019.

Signature of Member(s):..

Signature of Proxy holder(s):..

Affix ₹ 1/-
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A Proxy need not be a member of the Company.

3. Appointing a proxy does not prevent a member from attending the meeting in person if he / she so wishes.

4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

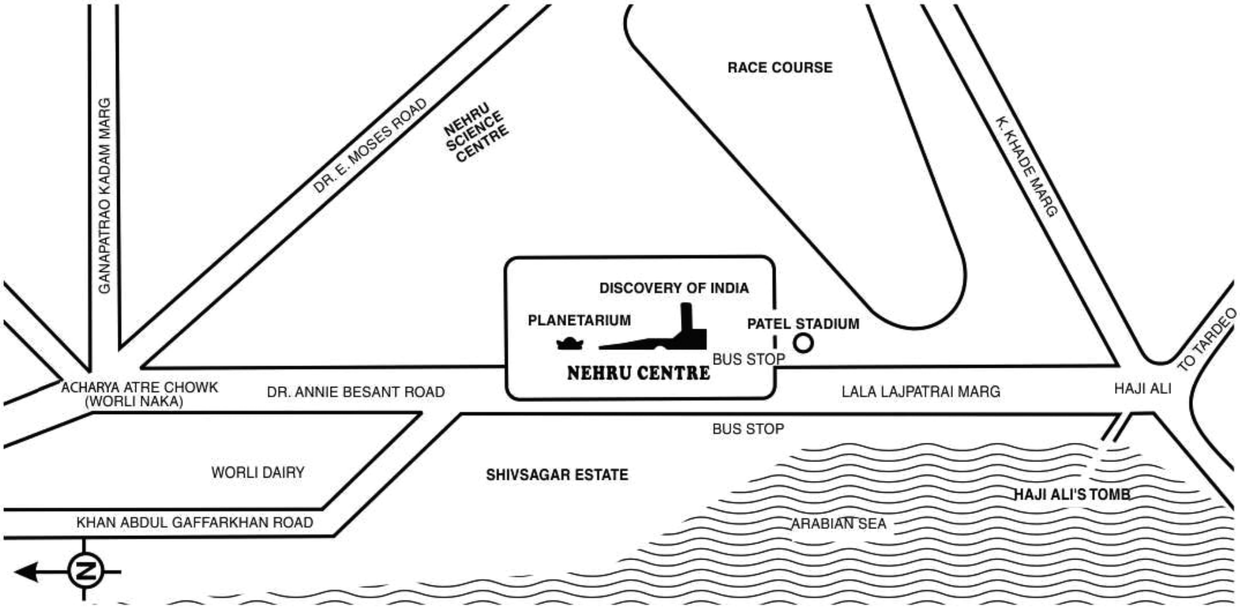
5. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

6. The holders of the Proxy shall be entitled to vote either for or against the above mentioned resolutions.

7. *It is optional to put (√) in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

ROUTE MAP TO VENUE OF ANNUAL GENERAL MEETING

Venue: Nehru Centre Auditorium, Discovery of India Building, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai- 400 018
Landmark: Nehru Centre Art Gallery




DMart

D-Mart

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