Avenue Supermarts Limited
Plot No. B-72 & B-72A, Wagle Industrial Estate, Thane (West), Maharashtra, India - 400 604
Tel.: 91 22 33400500 • Fax: 91 22 33400599 • e-mail: info@dmartindia.com • Website: www.dmartindia.com

3rd August, 2020

To,

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

BSE Scrip Code: 540376

The National Stock Exchange of India Ltd.
Corporate Communications Department
"Exchange Plaza", 5th Floor,
Bandra – Kurla Complex, Bandra (East),
Mumbai – 400 051

NSE Scrip Symbol: DMART

Sub: Annual Report of the Company for the financial year 2019-20

Dear Sir/Madam,

Pursuant to provisions of Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, enclosed please find herewith Annual Report for the Financial Year 2019-20 and Notice convening 20th Annual General Meeting (AGM) of the Company, which is being sent through electronic mode to the Members.

The AGM of the Company is scheduled to be held on Tuesday, 1st September, 2020 at 11.00 am through video conferencing / other audio visual means, to transact the business as set out in the Notice, in accordance with the relevant circulars issued by Ministry of Corporate Affairs and the Securities Exchange Board of India.

The aforesaid documents are also available on the website of the Company at www.dmartindia.com.

Kindly take the same on record.

Thanking You,
For Avenue Supermarts Limited

Ashu Gupta

AVENUE SUPERMARTS LIMITED MUMBAI

Ashu Gupta
Company Secretary & Compliance Officer

Encl: As above

D Mart

Daily Discounts Daily Savings

GOOD PRODUCTS GREAT VALUE

2019-20

ANNUAL REPORT

AVENUE SUPERMARTS LIMITED

Contents

Key Highlights FY 2019-20

₹24,675 Crores
Revenue from Operations

₹2,122 Crores
EBITDA

₹1,350 Crores
Profit After Tax

214
# of Stores

11/1
# of States and Union Territory

38
# of New Stores Added

7.8 mn sq. ft.
Retail Business Area

Good Products Great Value

We constantly endeavour to ensure that we fulfill all our customers' everyday household needs by offering them 'value for money' products at our stores.

Our customer-first culture has contributed significantly to our progress over the years. We strive to continue this journey and fulfil the aspirations and needs of all our customers.

About DMart

DMart was conceived by value investor Mr. Radhakishan Damani in the year 2000, operating a single store in Maharasthra. With a mission to be the lowest priced retailer in its area of operation, DMart has grown steadily over the years, and operates 214 stores in 11 States and 1 Union Territory. The Company has delivered stable performance across stakeholder metrics by focusing on financial fundamentals, with fortitude 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.

DMart

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

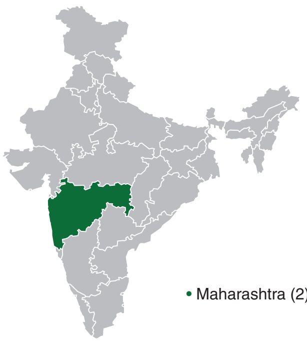
At DMart, we continuously research, identify and make available new products and categories to fulfil our customers' everyday needs at the best value. Our mission is to be the lowest priced retailer in our area of operation.

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 38 stores in FY 2019-20, thus ending the year with 214 stores, spread across 11 states and one union territory.

FY 2002-03



- Maharashtra (2)

FY 2012-13

- Maharashtra (40)
- Gujarat (14)
- Karnataka (3)

FY 2015-16

- Maharashtra (58)
- Gujarat (26)
- Telangana (13)
- Karnataka (6)
- Andhra Pradesh (3)
- Madhya Pradesh (3)
- Chhattisgarh (1)

CUMULATIVE STORES

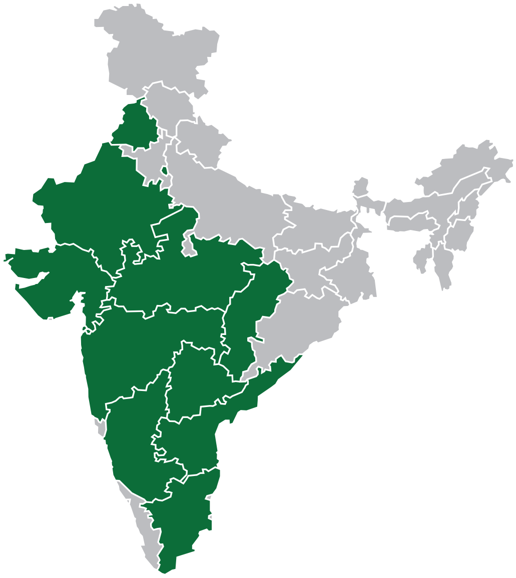
Note: Maps not to scale

2 **Stores**

57 **Stores**

110 **Stores**

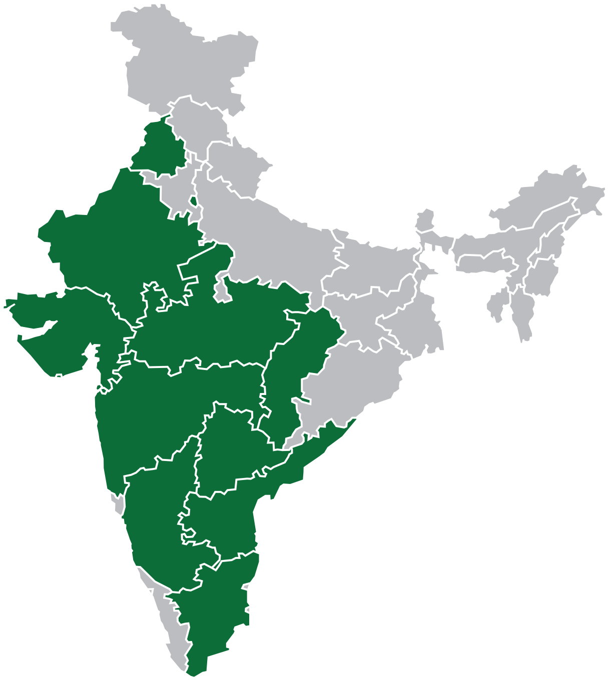
FY 2018-19



- 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)

176 **Stores**

FY 2019-20



- Maharashtra (76)
- Gujarat (37)
- Telangana (24)
- Karnataka (20)
- Andhra Pradesh (17)
- Madhya Pradesh (11)
- Rajasthan (7)
- Punjab (5)
- Tamil Nadu (10)
- Chhattisgarh (5)
- NCR (1)
- Daman (1)

214 **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

Groceries, staples, processed foods, dairy, frozen products, beverages & confectionery and fruits & vegetables

52.40%
Revenue Contribution FY 2019-20

51.25%
Revenue Contribution FY 2018-19

Non Foods (FMCG)

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

20.29%
Revenue Contribution FY 2019-20

20.46%
Revenue Contribution FY 2018-19

General Merchandise & Apparel

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

27.31%
Revenue Contribution FY 2019-20

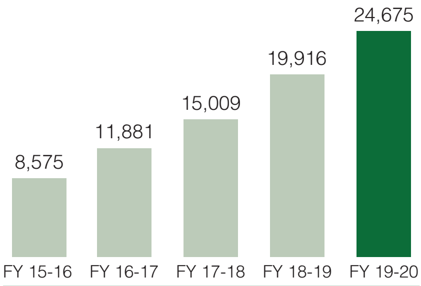
28.29%
Revenue Contribution FY 2018-19

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

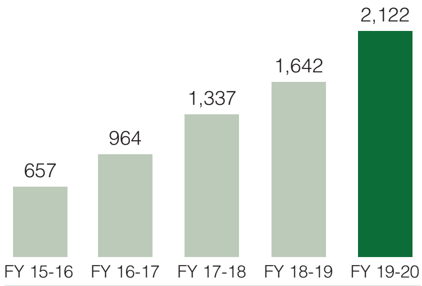
24% Y-O-Y



(₹ crore)

EBITDA

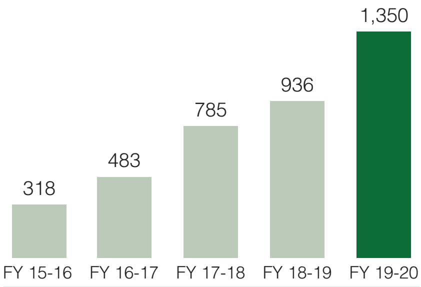
29% Y-O-Y



(₹ crore)

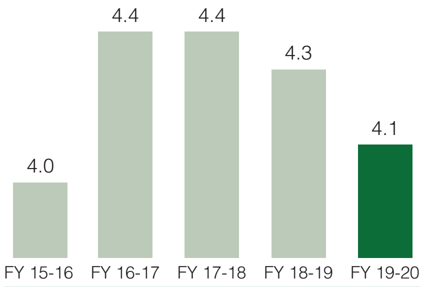
PROFIT AFTER TAX

44% Y-O-Y

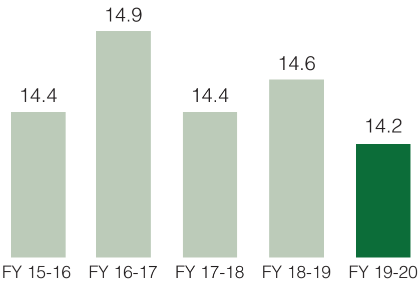


(₹ crore)

FIXED ASSET TURNOVER

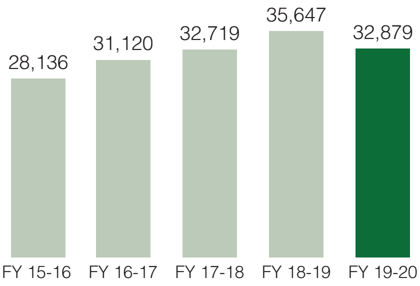


INVENTORY TURNOVER



REVENUE PER RETAIL BUSINESS AREA SQ FT

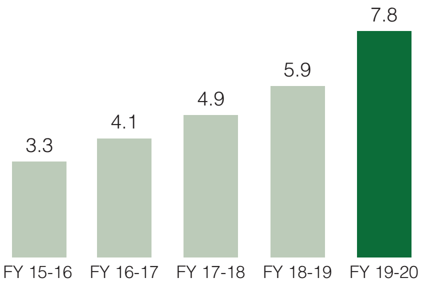
-8% Y-O-Y



(in ₹)

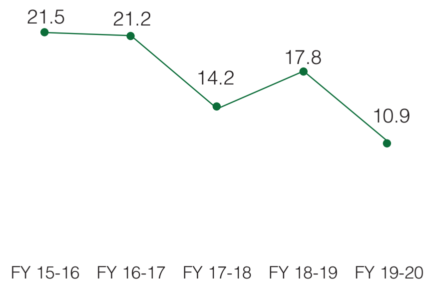
RETAIL BUSINESS AREA

32% Y-O-Y



(million sq. ft.)

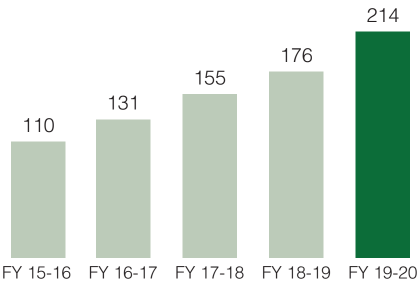
LIKE FOR LIKE GROWTH



(%)

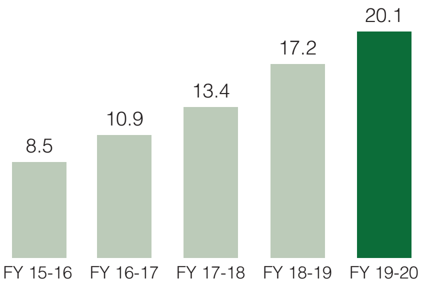
OF STORES

22% Y-O-Y



BILL CUTS

17% Y-O-Y



(in crore)

Message from the Chairman

Every once in a while, the world witnesses a landmark event that tests the resilience of mankind. COVID-19 is one such event. My heart goes out to all those impacted by this unforeseen event. At the same time, I am full of gratitude for all the health workers, government officials and other businesses and professionals, who have tirelessly worked in our battle against this virus.

Dear Shareholders,

I'm writing to you at a time when the world is battling a threat in the form of a pandemic. In this context, I sincerely hope that all of you and your dear ones are safe and healthy.

Every once in a while, the world witnesses a landmark event that tests the resilience of mankind. COVID-19 is one such event. My heart goes out to all those impacted by this unforeseen event. At the same time, I am full of gratitude for all the health workers, government officials and other businesses and professionals, who have tirelessly worked in our battle against this virus.

Reviewing the macro scenario

FY 2019-20 began on a muted note for the Indian economy and the weak sentiment continued through the first two quarters of the year. However, interventions from the government across areas, including a corporate tax rate cut, augured well for the economy. By the fourth quarter, things had started looking up. However, towards the second half of the month of March 2020, the outbreak of the coronavirus stopped short the economy on its track to recovery, as manufacturing, trade and supply chains came to a halt. Even with the gradual resumption of activity, this will need to be monitored very closely over the next few quarters.

Growing with India's consumption story

At DMart, we opened record 38 new stores during the year and continued to deliver reasonable growth across parameters. We now operate 214 stores across India, and remain bullish on India's long-term consumption story. Our expansion plans are well-aligned to this, and we continue to be on the lookout for locations within our clusters and outside, where we can build new stores that can service our target customers.

Playing our part during challenging times

The safety and well-being of our customers, employees and the communities where we operate, continue to be of paramount importance to us. We are taking all the necessary steps and precautions to safeguard their health.

Over the years, we have been humbled by the trust and loyalty that our customers have vested in us. We therefore consider it our duty to service their essential shopping needs during challenging times such as the nation-wide lockdown. To this end, where permitted locally, we continued our operations using multiple delivery channels, and made available daily essential products to our customers.

Our larger commitments

As we grow, we are also increasingly mindful of our responsibility towards the society and the environment. We are actively seeking green building certifications for our stores, using renewable energy (solar) as part of our energy mix and installing sewage treatment plants to recycle water among other measures to reduce our carbon footprint on the planet.

We continue to spend effectively on empowering the disadvantaged with our corporate social responsibility initiatives, and the results from the same are quite heartwarming. This year, we helped more than 100,000 young school students in their endeavour to better educate themselves.

On the governance front, we are driven by an experienced management, supported and supervised by a Board that I'm part of, and a mentor, whose vision has helped us scale new heights.

Our efforts to deliver and grow have been a function of a highly motivated workforce that remains the bedrock of our success. Every day, their hard work and service mindset drive us forward, and I take this opportunity to heartily thank them. I would also like to mention the role of our trusted suppliers and manufacturers, who play a vital role in our success, and would like to thank them for their continued support.

Looking forward

This year, we completed a successful equity fund raise, and our promoter also undertook a stock sell-down. The Company has thus met its minimum public shareholding norm as prescribed by the regulator. I would like to extend a warm welcome to all our new shareholders and look forward to their support in the coming years.

As I look ahead, there is indeed a short-term uncertainty as the world adopts a new normal. That said, it's also heartening to see that world over, there are concerted efforts to tide over this phase quickly and responsibly.

We are of the strong belief that together with everyone, we hope to pass this phase and set the ground for India's next wave of growth.

Best regards,

Ramesh Damani
Chairman

Message from the Managing Director & CEO

Amidst the tumult of this unprecedented period, our priority has been to safeguard the health and well-being of our employees, customers and communities at large while continuing our business operations with responsibility and care.

Dear Shareholders,

I was not supposed to write this year, considering nothing much would change. Then COVID-19 happened and it was extremely necessary to tell all of you how we are dealing with the pandemic. Hence the unusual nature of this letter is that most of it is about what has happened after the end of financial year 2019-20. We had a good year on most financial metrics and we opened the highest number of stores in a fiscal year. Yet it seems like a faint far away event in comparison to the pandemic, its progress and impact on our lives.

The outbreak of COVID-19 has affected us all and has completely changed our way of life. Amidst the tumult of this unprecedented period, our priority has been to safeguard the health and well-being of our employees, customers and communities at large, while continuing our business operations with responsibility and care. Our hearts go out to all those affected by COVID-19. At the same time, we are extremely grateful to all healthcare officials and local authorities. Their unwavering help and support, despite personal risk, are an inspiration to us all.

The countrywide lockdown began towards the latter half of March 2020 and continued through the end of May 2020. During this period, more than half of our stores remained closed for operations due to regulatory instructions, and stores that were open, operated for restricted hours. Customer footfalls were significantly lower and as per directives of the authorities, we had to stop the sale of all non-essential products (Apparel and General Merchandise). Staff attendance was significantly below par in the first 3-4 weeks and our new store construction was abruptly halted for nearly 3 months. We also faced issues in our supply chain due to severe transport restrictions during the first 3-4 weeks. We were gradually able to open most of our stores from mid-June onwards. We also commenced the sale of non-essentials in most stores. In general, local enforcements have been more severe than official notifications published from time to time throughout this pandemic period. Opening up of stores continues to be very inconsistent even now. There are abrupt, sudden and short notice lockdowns across cities. Some for seven days, some for five days and some for the weekends.

Workplace changes

We anticipated a lot of issues based on what we saw across the world as the pandemic lagged in its progress in India. Basis this early learning, we quickly adopted newer work practices from mid-March at our Head Office, Regional Offices, Stores, Distribution Centres and Packing Centres. We moved extremely critical non-store employees to work-from-home setups, made back-up teams for every office-working team, so that if one team had to be quarantined, the other could take over, we did the same for our Store, Distribution Centre and Packing Centre teams.

Safety measures

We have implemented all globally and locally recommended safety measures to protect our employees and customers. Face masks are mandatory for all employees and customers visiting our premises. All frequently touched surfaces such as trolleys, shopping baskets, cash counters, office workstations, etc. are sanitised at regular intervals. We also ensure regular sanitisation of all our premises and adequate availability of sanitising material and non-contact thermometers. We have ensured additional circulation of fresh air in all our air-conditioned work places and stores.

We have also popularised a catch phrase '1-2-3' across the firm.

1. Always wash your hands, as many times as possible.
2. Do not touch your hand to your face.
3. If you have fever, cold or dry cough, stay at home, rest and call your doctor.

As we continue to learn more about this infection, we have adopted additional safety precautions. We have begun to check oxygen concentration levels for all our employees daily, we have also organised free tele-consultations with doctors for every employee and we provide a basic kit to every employee, who is COVID-19 positive and quarantined or hospitalised. This kit is a small assortment of edible items and an electric water kettle, certified by a practising doctor to ensure it assists in recovery during the period of quarantine, especially in the case of institutional quarantine.

We have activated a separate cell that monitors every single COVID-19 positive employee and is supported through our local teams so that the employee and his family can avail all benefits without any difficulties. We are making every attempt to ensure that our employees feel safe and secure during this time.

Employee COVID-19 Policy

It is at times like these that employees look up to the firm to reassure them that their jobs are safe and that we are there when they need us, especially during a medical emergency.

We have announced an additional COVID-19 leave policy, which is available for COVID-19 positive employees and also for employees who show COVID-19 type symptoms. This ensured that employees do not hesitate to stay at home even if showing mild symptoms. The COVID-19 leave policy covers all direct and indirect employees working at DMart. In addition, we also announced a one-time hardship allowance for all frontline staff. Frontline employees, who continued to work during the pandemic lockdown period up to 3rd May, earned at least double or more of their usual wages. This benefit covered at least 95% of all direct and indirect store, distribution centre and packing centre personnel. All our employees are covered for health insurance as well as life insurance.

Servicing our customers

Our store operations were severely impacted especially during the early part of the lockdown. However, being in the essential services business, we were mindful of our commitment to our customers. We therefore quickly commenced servicing our customers through several new channels of delivery to provide them all essential goods such as Home Delivery (using DMart Ready Online App), and DMart on Wheels (DOW) for large housing complexes. Some of our stores also operated on a 24-hour basis wherever authorities permitted it. Scaling the DMart Ready App to operate across more than 200 stores, ensuring all operating metrics of order picking, route planning, delivery, etc. demonstrates the inherent capabilities of the team to ideate, activate and execute projects in short time frames. Similar is the case of the DOW project. Our local store teams would set up a mini store with a small assortment of essential products in a large housing complex for 6-8 hours. Our customers appreciated these initiatives.

As the availability of essentials eased and the local market supply chains normalised, we discontinued some of these services. We did this more to help the communities than think of it as a long-term strategic opportunity. Avenue Supermarts Limited would like to focus on what it is good at – running Brick and Mortar store business.

We have announced an additional COVID-19 leave policy, which is available for COVID-19 positive employees and also for employees who show COVID-19 type symptoms.

Our learnings thus far

Unlike developed countries, where organised grocery retailers had a surge of customers walking into their stores, it has not happened with the same intensity at our stores. This was because of the strong enforcement of store shutdowns, restrictive movement of people in general and strict social distancing rules inside stores. While the overall lockdown rules have softened in general, they continue with the same or more severe intensity in certain cities and local municipalities from time to time. Simultaneously, the availability of essentials has significantly improved in general from what it was in April 2020. There is a sales channel of traditional trade, which is smart, agile and resourceful. India still has a strong and resilient network of small shops and neighbourhood stores. They came roaring back after the first 2 or 3 weeks of lockdown, serving the needs of an anxious customer the way the customer wanted it – quickly over-the-counter or through home deliveries. Value wasn't top of the mind for shoppers during this time.

However, it is important to note that during the pandemic, if our stores were allowed to operate continuously for a month or more like before, without disruption and abrupt closures, we would have clocked 80% or more revenue of the pre-COVID-19 sale. The reduction of sales was only to the extent of softening of the discretionary categories, especially in the non FMCG categories.

After the passage of four months, we can say with further certainty that our business model of store ownership, steady incremental store additions over time and strong focus on cost efficiency during usual times, has allowed the business to face the pandemic shock with relatively less harm. We were able to course-correct our entire operations to deal with the pandemic, with determination and agility.

Our ability to pay our vendors and employees on time, as before, and serve our customers their essential needs like before, brings extreme satisfaction to every DMartian. While we are in the midst of the second wave of the pandemic and business outlook may continue to seem uncertain, we are less anxious than we were in the beginning of April 2020.

What next?

The challenges are likely to continue in the current financial year as the economy gradually opens after the lockdown. Our new store openings will be impacted as construction activity will commence with some lag due to availability of labour and material, besides the onset of monsoon in most parts of the country from mid-June onwards. We are also incurring additional costs for maintaining COVID-19 standard hygiene protocols in all locations. Overall gross margins will be under pressure as discretionary high margin categories are not yet at near pre COVID-19 levels while food and essential sales is already near pre COVID-19 levels for stores that are operational for a continuous period of three to four weeks.

The full extent to which the pandemic will impact our future financial results will depend upon upcoming developments, which are highly uncertain including any new information concerning the severity of the pandemic and the action to mitigate its spread as advised by local authorities. Efficacy of treatments in the near term and a vaccine success rate in the longer term could be defining factors for shoppers to step out and for authorities to be more conducive to opening up economic activity. In the interim, social distancing practices and changing consumer preferences are two other key trends that we would be watching carefully. This, we believe, could have lasting change and bring a sudden reset to long term shopper behaviour.

These are trying times and we are doing our best, first to keep our employees safe, then to assure our customers that shopping at DMart is 100% safe, to assure our vendors and partners that doing business with DMart is business as usual, to let the authorities know that we support them in all that they are trying to do.

Final thoughts

As I conclude, I would like to draw your attention to something very important. As I reflected on the last four months, I kept thinking about it and the more I thought about it I was certain that this is something I must share with all of you. It's about a set of people, a large number of people who have been the key differentiators in the pandemic. Without them we couldn't have reached so far. Their continued support and dedication through the pandemic is enabling us to serve millions of customers across the country every single day.

Our ability to pay our vendors and employees on time, as before, and serve our customers their essential needs like before, brings extreme satisfaction to every DMartian.

DMart

They are 'Our DMartians'.

With all things considered equal, a competent and motivated team can be the true differentiator for a business, any business. Competence and motivation are something we always espouse. It energises everybody. Never an opportunity is wasted on talking about passion, loving what you do, your calling and so many other things to our associates, supervisors and managers. It keeps the excitement going and helps us identify appropriate talent for the long term, in an otherwise mundane business. Retail is not for everybody, it has an uncanny way of allowing appropriate talent emerge only if people practices are strong and line managers are observant. The environment and bonding that is nurtured amongst each other makes a huge difference to the business. Customers may not be able to explain it well, but they can feel the difference when they shop with us. This mood or vibe makes everybody look forward to coming to work every day. It's like a magnet. If there is one thing we all keenly focus on during store visits, it's to look for this buzz, this vibe.

But we noticed something else during the pandemic – in leaps and bounds.

We saw tremendous courage amongst our associates and their leaders. We never earlier had an opportunity to see how many would lead the way at grave personal risk when it really mattered.

We never imagined we would one day see it this way. What was earlier seen sporadically, in small doses, in a few situations suddenly emerged as a silent surge within everybody. It was COURAGE. We saw tremendous courage amongst our associates and their leaders. We never earlier had an opportunity to see how many would lead the way at grave personal risk when it really mattered. Ownership yes, passion yes, but courage is an altogether different thing. We are after all just running a grocery retail business.

What we did realise albeit as an afterthought is that somehow courage manifests amongst the meekest, if the circumstances and environment so facilitates. An environment that treats its people fair and with respect, creates a sense of belonging, a sense of ownership. The COVID-19 pandemic is a rarest of rare event – a crisis which could be tackled meaningfully, only if most employees showed courage by taking a definitive step forward – to say no to a spouse or a parent, or a family member, and say yes to work every single day – to say to their family members that they need to go because the citizens depend on them to ensure food and other basic essentials are made available. At a time when information was limited, enforcement was all across, and anxiety was at its peak, our employees made every attempt to come to work. This, I felt, was the defining reason for our quick response to the pandemic in the months of April and May. Not that we did not have our share of employees who were afraid to work, but they were very few and far between.

Culture is what we do rather than what we say. A silent endorsement like this from our people to acknowledge that we are nearly there in what we are doing right for them is joyful for each one of us, especially for me.

Retail in our country naturally attracts extremely young people. Most of our frontline staff is below the age of 30. While the general mood in the country was sombre, our leadership team always came back with feedback that the environment in our DMart stores and warehouses is near normal – chirpy and business-like. The fun element was definitely missing at the workplace, but it was not sad and gloomy. Employees looked forward to coming to work. We also had a very low rate of COVID-19 positives amongst our store and warehouse employees. COVID-19 has not impacted our employees' health so far in any significant way.

Hence, through this letter, I would like to say to all our DMartians, "What an amazing team you are and I am personally grateful to each one of you. Along with the doctors, health workers and emergency service personnel, you stand TALL, right next to them."

The passage of time has made us more confident in dealing with the pandemic. The unwavering courage of our employees, the trust of our customers and your support should help us get through this crisis.

Yours Sincerely,

Ignatius Navil Noronha
Managing Director & CEO

Sustainability at DMart

Rooftop and Carport Solar Panels

We continue to focus on reducing our carbon footprint by adopting several best practices in areas of construction, sustainable energy usage (through solar power and energy efficient fixtures, equipment) and reduced fresh water usage by increasing STP installations. We have also increased our involvement with our suppliers and customers, to further the cause of a sustainable environment.

Vendors/Suppliers

We have taken several steps in our construction activities to reduce the impact on environment by using sustainable material.

We are also constantly working with our suppliers to ensure reduction of plastic in packaged products, increased use of alternative packaging materials, reduction in emission of greenhouse gases, usage of sustainable products for manufacturing and other such sustainable practices. We want to make a holistic difference in this area, and believe that there is more work to be done.

DMart

Customers at our stores

This year, we further increased our involvement with our customers and took steps towards reducing our carbon footprint. We encouraged customers to carry their own reusable carry bags and also introduced a variety of reusable cloth bags. We constantly evaluate such opportunities, which are economical, practical and easy to implement across our customers and internal stakeholders.

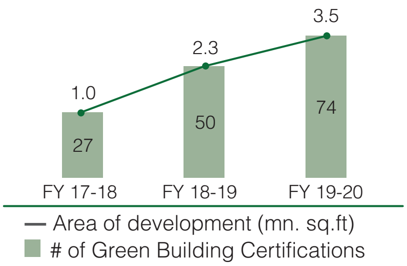
Our philosophy

Each business leader conducts all business operations keeping in mind our core philosophy of:

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

Green building certification

We have consistently increased Green Building Certifications for our stores. It is our constant endeavour to construct all our premises using sustainable and environment friendly practices.



This year we have obtained Gold Certified Green Building Certification for 23 additional buildings and one Platinum Certified Green Building Certification; taking our total to 74 buildings (covering more than 3.5 million sq. ft. of development). This certification is issued by the Indian Green Building Council (IGBC) for 70 of our buildings and the US Green Building Council (USGBC) for 4 of our buildings. There are several factors that are considered for awarding this certification. Some of them are elaborated below in detail (including our efforts within those factors):

1. Energy efficiency

Renewable Energy Use – We have increased our solar power usage across stores. This year 79 of our stores used solar power panels to meet part of their electricity requirement. These had a total installed capacity of 7 MW. Collectively, 16% of our total power requirement at these stores was met through Solar Power. As a new initiative, this year, we have also installed one Carport (Solar Panels above Car Parking Sheds) at one store.

Other practices

- 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

2. Water conservation

- We have installed 63 Sewage Treatment Plants (STP) across our premises. We recycle more than 150,000 litres of water per day, and use it for flushing, thus reducing usage of fresh water.
- 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.

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 always strive to procure RMC from a location that 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.

Corporate Social Responsibility

Access to good quality primary education for young children in the formative years is one of the building blocks to achieve success during adulthood. Our CSR efforts continued in this area to empower the young citizens of tomorrow.

In addition to our existing interventions, this year, we also extended our support in the field of sports, scientific education and skill building programme for the youth.

As a culmination of our efforts over the years, this year, our students took part in several public exhibitions to showcase their skills in areas of Computer Literacy, English Language Proficiency as well as Reading and Scientific Learning.

Below are the key highlights of our programme for the 2019-20:

NEW INITIATIVES DURING THE YEAR

Skill showcase through public exhibitions

741 Students participated

1. Digital mela

Students used this opportunity to showcase their digital learning through role plays, models, games and demonstration of various applications and their usage. It was student led and saw strong participation from parents, school children, teachers and visitors from the community.

1,300 Students participated

2. Sparkling English fiesta

Students conducted on-stage plays, activity corners and game stalls. They displayed great confidence in showcasing their communication skills. All visitors were greeted and led by students throughout the exhibition area.

13,800 Students participated

3. Reading fair

The event had student-led fun activities and games with the theme of 'Reading', at its core. The student volunteers facilitated various demonstrations with clarity and confidence, and also conducted puppet shows using their favourite library books.

459 Students participated

4. Scientific learning

This exhibition allowed students to use their scientific learning to create models and exhibits. They explained each concept with confidence to all the visitors. They applied their ideas and learning in their unique ways to find solutions to real-world problems.

10 Sports Centres covering 400+ students and other sports activities in 8 schools covering more than 3,700 students

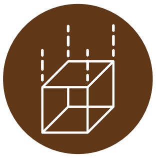
Physical development through sports programme

Under our newly started sports programme, we intend to focus on improving biomotor abilities in students during their formative years, and develop interest and participation in national level sports such as Judo, Wrestling and Kabbadi. In our first year of this intervention, one of our students won a Gold Medal in Judo at a National Championship organised by the Judo Federation of India at Manipur, and our students won more than 50 medals at the District and State levels. We also organised a Sports Meet for two of our schools. 252 students participated in various sports activities during the Meet.

5 Science Labs positively impacting 4,500+ students

Scientific learning through science labs

This programme is aimed at helping students develop skills such as scientific inquiry-based learning, critical thinking, multi-perspective thinking and civic responsibility. A science exhibition was also conducted, which allowed students to confidently demonstrate their scientific models along with their uses and functions.



150 Youth enrolled

Skill building programme

This year, we have started a Skill Development and Livelihood Training Centre for local unemployed youth. The aim is to bring the youth in the economic mainstream through self-employment and salaried jobs. The first centre was established in Panvel, where youth aged 18-30 years have been empowered through Livelihood Training Programmes. This year, 150 students were enrolled, of which 110 have completed trainings in Nursing Assistance, Apparel Making, Computing Skills and other such skilled professions.

PROGRESS OF OUR EXISTING PROGRAMMES

Pedagogical and infrastructure interventions

85 fully functional Computer Labs

1. Improving computer literacy

Computer-aided learning is one of our flagship support programmes. Our curriculum focuses on improving basic computer skills, language and general knowledge proficiency as well as numerical skills. The programme is run by a team of 200+ teachers and supervisors under focused guidance of programme managers.

69 School Libraries built

2. Library programme

Our library programme provides students with contextual books, which helps them inculcate an interest in reading, and improves their reading fluency. Our programme has impacted more than 53,000 students across 69 schools.

13,000 Students positively impacted

3. Spoken English proficiency

Our efforts in this programme is directed towards improving spoken English skills of children in their elementary years, using phonics and other relevant techniques.

130+ Schools covered with 40,000+ students

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.

296 Schools covered

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.

3,000 students positively impacted

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.

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

Public Private Partnership (PPP) model Schools (2 Public Schools covered)

We have adopted two public schools since the last three years. This year, we initiated leadership skill development through a Student Council within the school. The council members are responsible for day-to-day discipline and are also take a lead in organising events. We continued to focus on activity-based learning and provided access to museums and science centres for a holistic learning experience.

183 Parent Meetings

Parent outreach

We invite parents to attend meetings with experts, school management and teachers, thereby educating them on several aspects, with respect to their child's development, such as emotional connect, safety and personal hygiene; better nutrition practices; absenteeism; adolescent behavioural changes, and so on. We also encourage parents to motivate their children to study at home through these forums.

Board of Directors

Mr. Ramesh Damani
Chairman & Independent Director

Mr. Elvin Machado
Whole-time Director

Mr. Ignatius Navil Noronha
Managing Director & CEO

Mr. Chandrashekhar Bhave
Independent Director

Mr. Ramakant Baheti
Whole-time Director &
Group CFO

Mrs. Manjri Chandak
Non-executive Director

Ms. Kalpana Unadkat
Independent Director

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

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Ashu Gupta

COMMITTEES OF THE BOARD

Audit Committee
Mr. Chandrashekhar Bhave – Chairman
Mr. Ramesh Damani – Member
Ms. Kalpana Unadkat – Member
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
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
Sumitomo Mitsui Banking Corporation

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: +91-22-4049 6500
Fax: +91-22-4049 6503

CORPORATE OFFICE

B–72/72A, Wagle Industrial Estate,
Road No. 33, Kamgar Hospital Road,
Thane - 400 604

Tel: +91-22-3340 0500,
+91-22-7123 0500
E-mail: investorrelations@dmartindia.com
Website: www.dmartindia.com

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, L. B. S. Marg, Vikhroli
(West), Mumbai - 400 083

Tel: +91-22-4918 6270
Fax: +91-22-4918 6060
E-mail: rnt.helpdesk@linkintime.co.in

Management Discussion and Analysis

ECONOMIC OVERVIEW

India's GDP posted 7.1% compound annual growth rate (CAGR) between Fiscal 2012 and Fiscal 2018. In Fiscal 2019, though, GDP growth slowed to 6.8% on account of slower increase in government consumption and broad-based slower growth across some sectors.

The Indian economy started FY 2019-20 on a cautious sentiment, with the overhang of general elections and the muted credit growth scenario. In the first two quarters, the overall demand remained weak, with consumption and investment remaining conservative. However, from the October-December quarter onwards, the situation started improving as the government, along with the central bank, undertook both fiscal and monetary policy measures to revive the economy.

The fourth quarter was expected to be strong, with robust demand and improved credit growth. The sentiment changed towards the last fortnight of March 2020, with the rapidly evolving COVID-19 pandemic. The global socioeconomic situation significantly changed with most countries going into a lockdown including India.

The COVID-19 pandemic and the country-wide lockdown has impacted trade and supply chain, along with manufacturing. Consumption is impacted due to extreme macroeconomic shifts, including a possible rise in unemployment and a steep decline in GDP. Service businesses are rapidly changing business models and enabling technology-based solutions to serve customers. The central government, state governments and all the local authorities have taken several steps to support the economy and ensure the safety of the citizens. Further, the learnings from treating COVID-19 have already reduced mortality significantly over the last few months and there is tremendous and unprecedented speed in finding a vaccine.

Outlook

With the outbreak of COVID-19, the overall growth projections for India has consequently changed. In FY 2020, the country has grown at a rate of 4.2% (Source: International Monetary Fund). The situation is still evolving and uncertainties continue for all businesses and economy.

The short-term outlook remains unpredictable as the spread of the pandemic is still being evaluated in the country, and next steps are being charted out as the situation progresses. However, the strong enablers that characterise the Indian economy – a young working population, a stable government, rising competitiveness and improving index of ease of doing business – are expected to reconform the country's long-term growth trajectory.

INDUSTRY OVERVIEW

Over the years, retailing in India has been one of the most dynamic and fast-paced industries, which has travelled through different phases. In 2019, India's GDP is estimated at ₹141 trillion, of which private consumption constituted 57%. Retail sectors forms around ~80% of private consumption at constant prices. India's GDP growth will therefore translate to an increase in the merchandise retail market, from ₹34 trillion in Fiscal 2014 to ₹66 trillion in Fiscal 2020. (Source: Crisil Research)

Sector growth is primarily driven by rapid urbanisation, changing demographic profile, increasing middle-class disposable incomes, increased digitalisation and technology adoption, evolving preferences, brand awareness and rising discretionary spending. The rising e-commerce wave also significantly contributed to the overall growth of the sector.

Organised Brick & Mortar retail accounted for ~7.5% of total retail market in Fiscal 2019. Overall, organised retail grew ~21% on-year in Fiscal 2019, with B&M retailers registering growth of ~18% on-year.

The current pandemic could significantly alter new store roll out strategy for the industry. Several retail businesses are witnessing extended store closures, lower footfalls and lean demand. Consumers are also focused more on consumption of essentials. Industry growth for the next few years will therefore depend on the severity of the pandemic in the country.

E-Commerce has always been a focus area in the industry. The COVID-19 situation has further amplified the growing importance of this channel. Online grocery is still a relatively under-penetrated segment within E-retail, but has gained significant attention in the last few months as consumers have rapidly adopted online ordering of household grocery and other items. Apart from this, e-retailers continue to focus on existing business segments, such as electronics, apparel and fashion.

Overall, the retail sector faces key threats in the form of economic headwinds such as GDP slowdown due to COVID-19, decreased rural spending and rising commodity prices as well as e-tailing, which have affected the growth of the brick and mortar businesses. Unexpected yet unavoidable situations such as the recent pandemic have also impacted the performance of the retail industry, as people remain indoors and mostly consume essential goods and services. Organisations serving in the industry, thus will need to remain agile and adaptable, to identify these threats and work towards their effective mitigation.

BUSINESS OVERVIEW

Avenue Supermarts Limited (DMart) is a national supermarket chain, with a focus on value-retailing. We offer a wide range of products with a focus on the Foods, Non-Foods (FMCG) and General Merchandise & Apparel product categories.

We launched our first store in 2002 in Mumbai, Maharashtra, and since then have grown to 214 stores with a retail business area of 7.8 million sq. ft. spread across Maharashtra (76 stores), Gujarat (37), Telangana (24), Karnataka (20), Andhra Pradesh (17), Madhya Pradesh (11), Tamil Nadu (10), Rajasthan (7), Chhattisgarh (5), Punjab (5), Daman (1), and NCR (1).

We remain focussed on our strategy of offering our customers good quality products at great value, based on the Everyday Low Cost/Everyday Low Price (EDLC/EDLP) principle.

Our store offerings provide our customers with a distinctive shopping experience, comprising of a wide range of everyday value retail products sold in a modern ambience and with the feel of a large retail mall. We believe our endeavor to facilitate one-stop shop convenience for our customers' everyday shopping needs, along with our competitive pricing due to our local market knowledge, careful product assortment and supply chain efficiencies, has helped us achieve steady growth.

Key performance indicators

Over the years we have seen steady growth in the number of stores and consequently our retail business area.

Financial Year	No. of Stores	Retail business area (in Mn sq. ft.)
FY 2019-20	214	7.8
FY 2018-19	176	5.9
FY 2017-18	155	4.9
FY 2016-17	131	4.1
FY 2015-16	110	3.3

Our operations are ably supported by a network of distribution centres and packing centres. As of March 31, 2020 we had 36 distribution centres and 7 packing centres.

Our total number of bill cuts have increased steadily. Our total number of bill cuts was 20.1 crores in FY2019-20 compared to 17.2 crores during FY2018-19.

Our annualised revenue from sales per retail business area sq. ft. (#) was ₹32,879 in FY2019-20 and ₹35,647 in FY2018-19.

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

Financial performance

(₹ in crore)

Particulars	Standalone			Consolidated		
	FY 2020	FY 2019	Increase/ Decrease	FY 2020	FY 2019	Increase/ Decrease
Net Sales/Income from Operations	24,675.01	19,916.25	23.89%	24,870.20	20,004.52	24.32%
Other Income	63.33	51.41	23.19%	59.99	48.35	24.07%
Finance Cost	62.76	47.15	33.11%	69.12	47.21	46.41%
Profit Before tax	1,782.89	1,447.64	23.16%	1,744.77	1,421.94	22.70%
Profit After Tax	1,349.89	936.35	44.17%	1,300.98	902.46	44.16%
EPS - Basic (in ₹)	21.49	15.00	43.27%	20.71	14.46	43.22%
EPS - Diluted (in ₹)	21.33	14.79	44.22%	20.55	14.26	44.11%

Key financial ratios

Particulars	FY 2020	FY 2019
Operating Profit Margin (%)	7.46%	7.49%
Net Profit Margin (%)	5.46%	4.69%
Interest Coverage Ratio	23.15	31.70
Debtors Turnover	243.47	212.25
Inventory Turnover (Based on sales)	14.16	14.63
Current Ratio	3.18	1.67
Debt Equity Ratio	0.03	0.12
Return on Net Worth	0.16	0.18

Notes

1. Interest Coverage Ratio changes due to higher earning with increase in finance cost
2. Current Ratio has improved due to repayment of current maturity of long term borrowings.
3. Improvement in Debt Equity Ratio is due to increase in equity and repayment of debt.
4. Change in Return on Net Worth is due to increase in equity.

Human capital

Our employees are critical to our business. We internally assess our employees to periodically identify competency gaps and use development inputs (such as skill upgradation training) to address these gaps. We have implemented staff training policies and assessment procedures and intend to continue placing emphasis on attracting and retaining motivated employees.

We plan to continue investing in training programmes and other resources that enhance our employees' skills and productivity. We will continue to help our employees develop understanding of our customer-oriented corporate culture and service quality standards to enable them to continue to meet our customers' changing needs and preferences.

The Company had a total of 9,456 permanent employees and 38,952 employees hired on contractual basis, as on March 31, 2020.

Information Technology (IT)

Our deep understanding of local needs and our ability to adapt quickly to changing consumer preferences has helped our performance driven growth. Our robust IT systems have significantly aided this growth by simplifying complex processes throughout our operations.

Our IT systems are equipped with an array of data management tools specific to our business needs and support key aspects of our business. IT has enabled our cash management systems, in-store systems, logistics systems, human resources, project management, maintenance and other administrative functions. This implementation has contributed positively towards minimising product shortage, pilferage, out of stock situations etc. and has increased overall operational efficiency.

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 Senior Management Team are regularly apprised of the internal audit findings and regular updates are provided 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.

Risks and concerns

The Board of Directors review the Company's business risks and formulate strategies to mitigate those risks. The Senior Management team, led by the Managing Director, is responsible for proactively managing risks with appropriate mitigation measures and ensuring their implementation thereof.

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

- If we are unable to continue to offer daily low prices pursuant to our EDLC/EDLP pricing strategy, we risk losing our distinct advantage and a substantial portion of our customers, which will adversely affect our business, financial condition and results of operations
- Availability of commercially viable real estate properties at suitable locations for our new stores, timely execution of sale deeds/leave and license registrations and getting regulatory approvals for these properties

- Our ability to attract, hire, train and retain skilled employees
- Our inability to maintain an optimal level of inventory in our stores may impact our operations adversely
- Our continued understanding and prediction of consumers' changing needs and preferences and timely customising of our offerings
- Effective management of our store expansion and operations in newer locations/cities/states
- The outbreak of COVID-19 could materially and adversely affect our business, financial condition and results of operations

Impact of COVID-19

During the last quarter of FY 2020, COVID-19 spread globally and in India. This had an impact on the business operations of the Company. We started our preparation to respond to this crisis from early March. The company implemented various precautionary measures at each workplace to ensure personal safety and business continuity, such as temperature monitoring, frequent use of hand sanitisers, use of face masks, frequent sanitation of frequently touched surfaces etc. Our Corporate Office switched to working with much lower attendance. We also enabled more than 250 key employees across the Company to a Work from Home set-up. This ensured continuity and constant ability to support the business.

We have not announced any lay-offs or salary cuts for our employees. We provided Emergency Leaves to employees to take care of any health issues that they may face. We also extended a temporary Hardship Allowance to our frontline staff to help them tide over this crisis.

The business also rapidly adopted the new guidelines announced by the Central Government and the local authorities that enabled shopping with adequate social distancing and other safety measures. We commenced multiple delivery channels to customers such as Home Delivery (using DMart Ready Online App), bulk deliveries to housing societies, DMart on Wheels for large housing complexes etc. These were temporary measures which were discontinued once our stores were allowed to open for customer shopping (Our subsidiary Avenue E-Commerce Limited continues to provide home delivery / pick up services using our DMart Ready App in selected pin codes of Mumbai City). Some of our stores also operated on a 24/7 basis, thus staggering the crowd, maintaining social distance and allowing customers to shop at their convenience.

Our business operations faced several challenges including:

a) Temporary store closure for operations due to local restrictions

b) Significantly reduced footfall at operational stores

c) Sale of only essential items and temporary stoppage of sale of non-essential items (garments and general merchandise)

d) Reduced employee attendance due to local transport restrictions

e) Temporary stoppage of all our construction activities

f) Disruption in our Supply Chain due to restricted manpower, transportation and material unavailability

CAUTIONARY STATEMENT

Statements in this Annual Report, particularly those which relate to the 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 Twentieth Annual Report of Avenue Supermarts Limited ("the Company") together with the audited financial statements of the Company for the financial year ended 31st March, 2020.

FINANCIAL PERFORMANCE

The Company's financial performance during the year ended 31st March, 2020 compared to the previous financial year is summarised below:

(₹ in crore)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Income from operations	24,675.01	19,916.25	24,870.20	20,004.52
Other Income	63.33	51.41	59.99	48.35
Total Income	**24,738.34**	**19,967.66**	**24,930.19**	**20,052.87**
Expenses	22,955.45	18,520.02	23,185.42	18,630.93
Profit before tax	**1,782.89**	**1,447.64**	**1,744.77**	**1,421.94**
Less: Tax Expense	433.00	511.29	443.79	519.48
Profit after Tax	**1,349.89**	**936.35**	**1,300.98**	**902.46**
Other comprehensive Income (net of taxes)	(3.79)	(1.27)	(4.08)	(1.31)
Total Comprehensive income for the year	1,346.10	935.08	1,296.90	901.15

The financial statements for the year ended 31st March, 2020 have been prepared as per the Indian Accounting Standards (Ind AS).

BUSINESS AND OPERATIONS

During the year under review, your Company recorded steady growth and opened maximum stores ever in its history by adding 38 new stores. We now have presence across 11 states and 1 union territory with 214 stores as of March, 2020. We continued to provide value to our customers with the existing approach of Everyday Low Cost/Everyday Low Price principle.

On standalone basis, the total income for FY 2020 was ₹ 24,738.34 crore, which is 23.89 % higher over the previous year's income of ₹ 19,967.66 crore. Our total income on consolidated basis for FY 2020 was ₹ 24,930.19 crore as against ₹ 20,052.87 crore during FY 2019.

On standalone basis, the net profit after tax (PAT) for FY 2020 stood at ₹ 1,349.89 crore as against previous year's net profit of ₹ 936.35 crore thereby recording a growth of 44.17%. Our net profit after tax (PAT) on consolidated basis for FY 2020 amounted for ₹ 1,300.98 crore as compared to ₹ 902.46 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") vide its letter dated 11th October, 2019 for its debentures and long-term bank facilities/ non-convertible debenture/ commercial paper programmes as follows:

Sr. No.	Instruments	Rating
1	Bank Loan Facilities of ₹ 750 crores	CRISIL AA+/Stable (Reaffirmed)
2	Non-Convertible Debentures of ₹ 200 crores	CRISIL AA+/Stable (Assigned)
3	Non-Convertible Debentures of ₹ 323 crores	CRISIL AA+/Stable (Reaffirmed)
4	Commercial Paper of ₹ 500 crores	CRISIL A1+ (Reaffirmed)

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.

On request of the Company, CARE Ratings Limited has withdrawn its rating ("CARE A1+"(CARE A one plus)) assigned to Company's Commercial paper issue w.e.f. 12th March, 2020, since the Company has not placed the Commercial Paper and there is no outstanding issue as on date.

DMart

UTILISATION OF IPO PROCEEDS

The proceeds of funds raised under IPO by the Company are being fully utilised 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 utilisation of IPO proceeds as per the Objects of the Issue (₹ in crore)	Actual utilisation of IPO proceeds upto 31st March, 2020 (₹ 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	1,080.00	NIL
2.	Construction and purchase of fit outs for new stores	366.60	366.60	NIL
3.	General Corporate expenses (excluding IPO expenses)	394.02	394.02	NIL
	Total	**1,840.62**	**1,840.62**	

The Company had appointed HDFC Bank Limited as the Monitoring Agency in accordance with the Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, for monitoring the use of proceeds of IPO of the Company.

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

UTILISATION OF QIP PROCEEDS

The Company allotted 20,000,000 equity shares through Qualified Institutional Placement (QIP) at an issue price of Rs. 2,049 per equity share (including a premium of Rs. 2,039 per equity share) aggregating to Rs. 4,098 crore on 11th February, 2020. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and Sections 42 and 62 of the Companies Act, 2013, as amended, including the rules made thereunder.

The proceeds of funds raised under Qualified Institutional Placement of the Company are utilised as per Objects of the Issue.

The disclosure in compliance with the Regulation 32 (7A) of the Listing Regulations is as under:

Sr. No.	Particulars	Actual utilisation of QIP proceeds upto 31st March, 2020 (₹ in crore)
1.	Repayment of Non-convertible Debentures	300.00
2.	Repayment of WCDL/Commercial Paper	250.00
3.	Repayment of Term Loan	158.00
4.	WC/General Corporate expenses (Excluding QIP expenses)	302.00
	Total	**1,010.00**

Out of the total fund raised by the Company under Qualified Institutional Placement, an amount of ₹ 3,068 crore is unutilised as on 31st March, 2020.

CHANGES IN SHARE CAPITAL

During the year, the paid-up share capital of the Company increased as follows:

1. Pursuant to exercise of stock options under Avenue Supermarts Limited Employee Stock Option Scheme, 2016 by Employees of the Company and that of its subsidiary companies, the Company allotted 3,690,205 (Thirty Six Lakh Ninety Thousand Two Hundred and Five) Equity Shares of ₹ 10/- (Rupees Ten) each at ₹ 299/- (Rupees Two Hundred and Ninty Nine) per share {including a premium of ₹ 289/- (Rupees Two Hundred and Eighty Nine) per Equity Share} aggregating to ₹ 1,103,371,295/- (Rupees One Hundred and Ten Crore Thirty Three Lakh Seventy One Thousand Two Hundred and Ninety Five). Pursuant to the said allotment, the equity share capital of the Company increased from ₹ 6,240,844,860/- (Six Hundred and Twenty Four Crore Eight Lakh Forty Four Thousand Eight Hundred and Sixty) divided into 624,084,486 (Sixty Two Crore Forty Lakh Eighty Four Thousand Four Hundred and Eighty Six) equity shares of ₹ 10/- (Rupees Ten) each to ₹ 6,277,746,910 (Six Hundred and Twenty Seven Crore Seventy Seven Lakh Forty Six Thousand Nine Hundred and Ten) divided into 627,774,691 (Sixty Two Crore Seventy Seven Lakh Seventy Four Thousand Six Hundred and Ninety One) equity shares of ₹ 10/- (Rupees Ten) each.

2. Allotment of 20,000,000 (Two Crore) Equity Shares of face value ₹ 10 (Rupees Ten) each to eligible Qualified Institutional Buyers at an issue price of ₹ 2,049/- (Two Thousand and Forty Nine) per Equity Share {including a premium of ₹ 2,039/- (Two Thousand and Thirty Nine) per Equity Share}, aggregating to ₹ 40,980,000,000/- (Rupees Four Thousand and Ninety Eight Crore). Pursuant to the said allotment, the equity share capital of the Company increased from ₹ 6,277,746,910 (Six Hundred and Twenty Seven Crore Seventy Seven Lakh Forty Six Thousand Nine Hundred and Ten) divided into 627,774,691 (Sixty Two Crore Seventy Seven Lakh Seventy Four Thousand Six Hundred and Ninety One) equity shares of ₹ 10/- (Rupees Ten) each to ₹ 6,477,746,910 (Six Hundred and Forty Seven Crore Seventy Seven Lakh Forty Six Thousand Nine Hundred and Ten) divided into 647,774,691 (Sixty Four Crore Seventy Seven Lakh Seventy Four Thousand Six Hundred and Ninety One) Equity Shares.

During FY 2019-20 there was no change in the authorised share capital of the Company.

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.

NON-CONVERTIBLE DEBENTURES

During the year, the Company allotted Non-convertible Debentures (NCD) in the following tranches:

Sr. No.	Description of NCD	Date of Issue	Amount (₹ in crore)	Date of early redemption
1.	Secured Rated Unlisted Redeemable NCD	18.09.2019	100	18.03.2020
2.	Secured Rated Listed Redeemable NCD	27.09.2019	100	27.03.2020
3.	Secured Rated Unlisted Redeemable NCD	17.10.2019	100	17.03.2020

As on 31st March, 2020, the outstanding amount of NCD issued in previous financial years is ₹ 34 crore.

MINIMUM PUBLIC SHAREHOLDING COMPLIANCE

Mr. Radhakishan S. Damani, Mr. Gopikishan S. Damani, Mrs. Shrikantadevi R. Damani and Mrs. Kirandevi G. Damani, the individual promoters of the Company, sold 14,800,000 equity shares of the Company constituting 2.28% of the total paid-up capital of the Company to the public in accordance with the "Comprehensive Guidelines on Offer for Sale (OFS) of Shares by Promoters through the Stock Exchange Mechanism" issued by the Securities and Exchange Board of India on 14th February, 2020 and 17th February, 2020, respectively.

Consequently, the Company is now compliant with the Minimum Public Shareholding requirements as mandated under Rules 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 read with Regulation 38 of the Listing Regulations.

The breakup of Promoter and Public Shareholding of the Company post aforesaid sale of shares is provided below:

Category	No. of equity shares	% of total paid-up share capital
Promoter and Promoter Group	485,747,156	74.99%
Public	162,027,535	25.01%
Non-Promoter Non-Public	-	-
Total	**647,774,691**	**100%**

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 https://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, 2020. The details of which are appended hereunder:

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 2020 stood at ₹ 1,177.62 crore against ₹ 920.10 crore in the previous year and the Company posted net profit after tax of ₹ 24.81 crore for FY 2020 against ₹ 10.10 crore for FY 2019.

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 2020 stood at ₹ 32.41 crore as against ₹ 23.59 crore for FY 2019. The Company reported net profit after tax of ₹ 6.29 crore against ₹ 5.67 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 selected areas of Mumbai region. AEL allows its customers to order abroad 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 door step.

AEL's revenue from operations for FY 2020 stood at ₹ 354.03 crore vis-à-vis ₹ 143.59 crore in the FY 2019. The Company registered a loss of ₹ 79.71 crore in FY 2020 against the loss of ₹ 50.82 crore in FY 2019.

NAHAR SETH & JOGANI DEVELOPERS PRIVATE LIMITED (NSJDPL):

NSJDPL, subsidiary Company was incorporated on 21st February, 2014, with main object of, amongst others, development of land and construction. Revenue from operations of the Company for FY 2020 and FY 2019 was ₹ 0.75 crore and the Company earned net profit after tax of ₹ 0.54 crore for FY 2020 against ₹ 0.47 crore for FY 2019.

REFLECT WHOLESALE AND RETAIL PRIVATE LIMITED (RWRPL)

RWRPL, a wholly-owned subsidiary Company was 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 are available on the website of the Company under web link https://www.dmartindia.com/investor-relationship. The same shall also be sent to Members electronically who request for the same by sending e-mail to Company at investorrelations@dmartindia.com from their registered e-mail address.

The Company has formulated a Policy for determining material subsidiaries. The said policy is available on the website of the Company at https://www.dmartindia.com/investor-relationship.

RELATED PARTY TRANSACTIONS

In compliance with the requirements of the Listing Regulations, the Company has in place a Policy on Related Party Transactions which is available on the website of the Company https://www.dmartindia.com/investor-relationship.

All the related party transactions are placed before the Audit Committee for the review and approval. Prior omnibus approval is obtained for related party transactions which are repetitive in nature. 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 Listing Regulations. The transactions entered by the Company during the financial year under review were in conformity with the Company's Policy on Related Party Transactions.

During the year 2019-20, your Company did not enter into any material related party transactions. Accordingly, disclosure with respect to the same in the **Form AOC-2** in terms of Section 134 of the Companies Act, 2013 is not applicable.

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 Woman Independent 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. 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.

Mr. Ramakant Baheti (DIN: 00246480), Director being longest in the office, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and he being eligible has offered himself for re-appointment. The Board of Directors recommend his 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 Mr. Ramakant Baheti, are provided as an Annexure to the Notice of the Annual General Meeting.

Key Managerial Personnel

During the year under review, there was no change in the Key Managerial Personnel of the Company.

Independent Directors

In accordance with Section 149 (7) of the Companies Act, 2013, and Regulation 16(1)(b) of the Listing Regulations, as amended, each Independent Director of the Company has provided a written declaration confirming that he/she meets the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Independent Directors fulfill the conditions specified in Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Listing Regulations and are independent from Management.

All the Independent Directors of the Company have enrolled their names in the online database of Independent Directors by Indian Institute of Corporate Affairs in terms of the recently introduced regulatory requirements. Also, the online proficiency self-assessment test as mandated will be undertaken by those Independent Directors of the Company who are not exempted within the prescribed timelines.

Familiarisation Programme

The Company has conducted familiarisation programmes 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 familiarisation programme conducted by the Company are hosted on the Company's website under the web link https://www.dmartindia.com/investor-relationship.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Board Meetings

The Board of Directors met Six (6) times during the financial year under review. The details of the Board meetings and attendance of each Director there at 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 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 there at 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 there at 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.

The Nomination and Remuneration Policy of the Company is hosted on the Company's website under the web link https://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 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, 2020; 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 judgements 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, 2020 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 behaviour. The policy provides a mechanism, which ensures adequate safeguards to Employees and Directors from any victimisation 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 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,11th January, 2020 to review:

- The performance of non-independent directors and the Board as a whole and its Committees thereof;
- The performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- 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 and shall be sent to Members electronically who request for the same by sending e-mail to Company at investorrelations@dmartindia.com from their registered e-mail address.

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 4,747 eligible employees of the Company, irrespective of their grade, pursuant to the eligibility criteria stipulated under the ESOP Scheme 2016.

The Employee Stock Option Scheme 2016 is being administered and monitored by the ESOP Committee of the Company. During the year under review 3,691,105 options were vested, against which 3,690,205 options were exercised by 3,985 employees of the Company and its subsidiaries and 900 unexercised options were lapsed.

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 available for inspection by Members who request for the same by sending e-mail to Company at investorrelations@dmartindia.com from their registered e-mail address.

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 Annual General Meeting of the Company. The requirement for annual ratification of Auditors' appointment at the AGM has been omitted pursuant to the Companies (Amendment) Act, 2017 notified on 7th May, 2018. 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.

Observations of Statutory Auditors on Accounts for the year ended 31st March, 2020

The Auditors Report for the financial year ended 31st March, 2020 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, 2020

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 2019-20. 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, 11th May, 2019 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 work place 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.

The details of complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during FY 2019-20 are as follows:

No. of Complaints received during the year	1
Complaints disposed off	1
No. of complaints pending as on 31.03.2020	0

COMPANY AFFIRMATION OF READINESS TOWARDS COVID-19

India is going through a tough phase of a global pandemic–Novel Coronavirus disease (COVID-19). The Indian government is taking all possible measures to keep a check on the spread of this disease within the country.

Accordingly, as a responsible private establishment, your Company also took part in the mission of social distancing by:

- Putting in place Work from Home Policy (WFH) for the employees of the Company;
- Conduct of meetings through VC, telephone, computerised & other electronic means;
- Strictly adhering to the "Do's and Don'ts" advised by the Public Health Authorities;
- Only essential staff are being called on duty with staggered timings to be followed in order to minimise physical interaction in all the Offices, DMart stores and Distribution Centres at various locations; and
- To follow other preventive measures prescribed by the local authorities from time to time.

Your Company has filed the web based form – Company Affirmation of Readiness towards COVID-19 (CAR) and affirmed to its requirements.

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	**Ramakant Baheti**
Managing Director & CEO	Whole-time Director & Group CFO
DIN: 01787989	DIN: 00246480

Place: Thane
Date: 23rd May, 2020

Registered Office:
Anjaneya CHS Limited, Orchard Avenue,
Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076
CIN: L51900MH2000PLC126473
Tel No.: 022-40496500
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E-mail 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 31st March 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 endeavour 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 unfavourable market conditions, the Board may resort to a conservative dividend pay-out in order to conserve cash

ANNEXURE I

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.

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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 Lakh)

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	NA	NA	NA	NA	NA
5	Share capital	380.00	1.00	10.00	21,688.73	10.00
6	Reserves and Surplus	8,074.54	2,520.21	285.01	(17,370.39)	(0.68)
7	Total Assets	9,561.29	2,958.72	1,139.70	14,241.44	9.50
8	Total Liabilities	1,106.75	437.51	844.69	9,923.10	0.18
9	Investments	Nil	965.86	Nil	502.09	Nil
10	Turnover	117,761.81	3,240.50	75	35,403.39	Nil
11	Profit/Loss before taxation	3,320.53	865.25	67.79	(7,971.00)	(0.32)
12	Tax Expense	839.71	236.25	14.07	-	-
13	Profit/Loss after taxation	2,480.82	629.00	53.72	(7,971.00)	(0.32)
14	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
15	% of shareholding	**100%**	**100%**	**90%**	**99.82%**	**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, 2020

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: 23rd May, 2020

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 ₹ 50 lakh or 2% of the paid-up capital of the Company, 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 ₹ 50 lakh, 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 ₹ 50 lakh 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

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ANNEXURE III

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 ₹ 50 lakh, whichever is lower, 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 and Independent Director	Chairman
Mr. Ramesh Damani	Non-Executive and Independent Director	Member
Mrs. Manjri Chandak	Non-Executive Director	Member

ANNEXURE III

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.

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 thereunder, 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 thereunder as amended from time to time.

Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder 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 thereunder 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.

ANNEXURE III

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 thereunder 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.

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

i. 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.

ii. 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.

iii. 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;

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(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);

(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

(a) While recommending the appointment of new Directors, the Committee will;

(b) 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;

(c) 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 2019-20, through this initiative, the Company has impacted more than 100,000 students from 296 schools.

We have enhanced our focus in providing in-depth pedagogical intervention to each student. A team of highly motivated programme managers and associates with rich hands-on experience of teaching in schools have brought a new dimension to our programmes. This year, we ventured into promoting sports with multiple structured interventions in schools that we work with. Also, we have started a pilot project to work towards foundational learning amongst the students in the existing schools that we work with leading to basic grade specific student learning outcomes.

Our PPP Model schools in partnership with Thane Municipal Corporation achieved 100% results in Grade X for third year in a row in one school and 94.4% in the other school in the last academic year (2018-19). Our focus is on activity-based learning and access to museums and science centres for widening learning horizons. All this happens under the guidance of a team of committed teachers who themselves undergo continuous training on various pedagogy interventions, teaching methodologies and improvising school practices. Through extensive Career Counselling programme we enclave the students to stay in formal education beyond Grade X and further assist them in choosing a career.

A vibrant school library can go a long way in providing exposure of wide range of reading material to children and develop them as active and potential 'readers'. The entire focus of the programme is on making students of Grades 1 to 8 'Learn to Read', so that in the years to come they can 'Read to Learn'! Books provided under Library programme are of multiple publications, accessible by the students. Also, these books are contextualised 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 Grades 5 to 9 with technical knowledge making them future ready. Digital Literacy Programme is the biggest programme undertaken by the organisation in terms of reach and resources. With the world moving to 5G and super computers more than half of the population in the country do not have access and have never operated a computer by themselves. The programme aims to bridge this digital divide and make computer labs a functional learning space for children.

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, long-term cleanliness habits are inculcated across students and staff.

Under our newly started Sports Programme, there are three initiatives taken by the Company namely Sports and Play, Sport Centres, and Intervention with Sports Village Foundation. Sports and Play is our sports in-house project for students from grade 1 to 5. We highlight the importance of developing various bio-motor abilities early in the training such as balance, stability, mobility, motor control, body alignment, symmetry, posture, and body awareness etc. Sport Centres are run in collaboration with the actively involved physical education department of MCGM. Individual characteristics such as age, gender, and fitness level are combined with scientifically proven training methods and exercises to create a customised, sports specific workout plan that results in a more confident, motivated athlete. We are running Sports Village Foundation in collaboration with an expert sport sector organisation in 3 school buildings. Students impacted are from Grades 1 to 4 in two schools and from Grades 1 to 8 in the remaining one school building.

Science Lab programme was started on pilot basis in collaboration with our expert partner. This initiative is aimed at helping students develop skills such as scientific inquiry-based learning, critical thinking, multi-perspective thinking, creativity and civic responsibility.

ANNEXURE IV

We have opened a Skill Development and Livelihood Training Centre for local unemployed youth alongwith Kherwadi Social Welfare Association. The aim is to bring these youth in the economic mainstream through self employment and salaried jobs. The first centre was established in Panvel region where youth between 18-30 years have been empowered through Livelihood Training Programs such as Nursing Assistance, Beautician, Apparel making, Computer, Dance etc.

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: ₹1,140.21 crore

4. Prescribed CSR Expenditure (two percent of the amount as per item 3 above): ₹22.80 crore

5. Details of CSR spent during the financial year:

(a) Total amount to be spent/ spent for the financial year: ₹ 17.86 crore

(b) Amount unspent if any: ₹ 4.94 crores

(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 programme was undertaken	Amount outlay (budget) Project or Programme-wise (₹ in crore)	Direct expenditure on projects or programme (₹ in crore)	Cumulative expenditure up to the reporting period for Last 4 years (₹ in crore)	Amount spent direct or through implementing agency
A	**Basic Infra**						
i	Bala Paintings	Education	Mumbai, Maharashtra	0.45	0.49	1.89	Direct
B	**Educational Facilities**						
i	Computer Lab	Education	Mumbai, Maharashtra	5.53	4.56	14.03	Direct
ii	Library Programme	Education	Mumbai, Maharashtra	1.60	1.89	4.07	Direct
iii	Science Lab Programme	Education	Mumbai, Maharashtra	0.12	0.12	0.38	Direct
iv	Sports Programme	Education	Mumbai, Maharashtra	0.50	0.45	0.52	Direct
C	**Pedagogical Interventions**						
i	English For All Programme	Education	Mumbai, Maharashtra	0.75	1.09	1.70	Direct
ii	10th standard Remedial Classes	Education	Mumbai, Maharashtra	0.52	0.52	2.18	Direct
iii	TMC School PPP Model	Education	Thane, Maharashtra	0.40	0.50	1.38	Direct
iv	Programe Managers – CSR Programe Design, Implement and Monitor	Education	Mumbai, Maharashtra	1.00	0.53	1.81	Direct
D	**Others**						
i	Swachh School Abhiyan	Education	Mumbai, Maharashtra	0.25	0.34	0.59	Direct
ii	Parents Counseling	Education	Mumbai, Maharashtra	0.16	0.15	0.29	Direct

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 programme was undertaken	Amount outlay (budget) Project or Programme-wise (₹ in crore)	Direct expenditure on projects or programme (₹ in crore)	Cumulative expenditure up to the reporting period for Last 4 years (₹ in crore)	Amount spent direct or through implementing agency
iii	Miscellaneous Activities	Education	Mumbai, Maharashtra	0.05	0.02	0.19	Direct
iv	Skilling Programme Kherwadi Social Welfare	Livelihood	Navi Mumbai, Maharashtra	0.15	0.08	11.63	Implementing agency
v	Skilling Programme Team Lease	Livelihood	Mumbai, Maharashtra	1.56	1.56	3.62	Implementing agency
vi	Summer Camp	Education	Mumbai, Maharashtra	0.10	0.10	0.10	Direct
vii	Grant to Akshaya Patra Foundation	Midday Meal	Thane, Maharashtra	8.00	2.98	2.98	Implementing agency
viii	Trrain Foundation Skilling Programme	Livelihood	Mumbai, Maharashtra	0.50	0.50	0.50	Implementing agency
ix	Disaster Management Flood Relief	Disaster Relief	Kolhapur, Maharashtra	0.05	0.05	0.05	Direct
x	Grant to Isha Outreach River Programme	River Rejuvenation	Yeotmal, Maharashtra	0.51	0.51	0.51	Implementing agency
xi	Grant to Olympic Gold Quest (OGQ)	Sports	All India	1.00	1.00	1.50	Implementing agency
E	**Direct Administrative Expenditure**			0.50	0.44		
	Total CSR Spend (A)+(B)+(C)+(D)+(E)				**17.86**		

*The Board approved the budget for specific on-going CSR projects/programme.

**Cumulative expenditure of last four 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:**

The Company has spent ₹ 17.86 crore as against the Company's CSR budget of ₹ 22.80 crore for the financial year 2019-20. Reason for shortfall in utilisation of CSR budget is as detailed below:

The Company had signed a Memorandum of Understanding (MOU) with Akshaya Patra Foundation for ₹ 7.45 crore towards CSR contribution for construction of Akshaya Patra Kitchen at Bhiwandi for providing Midday meals to 50,000 school children. However, since Akshaya Patra project was not completed, therefore payment of ₹ 4.47 crore budgeted for financial year 2019-20 could not be disbursed.

Also, the Company's spending on implementing various educational initiatives got severely hampered due to COVID-19 pandemic. It has been the Company's endeavour to fully spend the allocated CSR budget towards the betterment of the society at large. However, the Company could not spend the entire amount due to circumstances beyond its control.

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: 23rd May, 2020

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 2019-20 is as follows.

Name of Director	Remuneration (₹)	Sitting Fees (₹)	Commission (₹)	Ratio of remuneration of Director to the Median remuneration
Mr. Ramesh Damani	-	780,000	2,400,000	12.04
Mr. Chandrashekhar Bhave	-	760,000	2,400,000	11.96
Ms. Kalpana Unadkat	-	660,000	2,400,000	11.58
Mrs. Manjri Chandak	-	720,000	-	2.73
Mr. Ignatius Navil Noronha	45,529,836	-	-	172.35
Mr. Ramakant Baheti	10,422,960	-	-	39.45
Mr. Elvin Machado	7,607,354	-	-	28.80

Notes:

1. Remuneration comprises salary, allowances, Company's contribution to provident fund, taxable value of perquisites and excludes perquisites on exercise of ESOPs.
2. For calculation of median remuneration, the employee count taken is 7,229 which comprises employees who have served for whole of the financial year 2019-20. The median salary computation excludes perquisite value of ESOP's alloted to 3,985 employees.
3. The percentage increase in the median remuneration of employees in the FY 2019-20 was 16.40%.
4. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 18.99%. Whereas the increase in the managerial remuneration was 0.55%. The increase in remuneration is 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 2019-20 are as follows:

Name	Designation	Gross Remuneration (₹)						Fix Increase/ (Decrease) (%)	Variable Increase/ (Decrease) (%)
		2018-19			2019-20				
		Fix	Variable	Total	Fix	Variable	Total		
Mr. Ramesh Damani	Independent Director	650,000	2,000,000	2,650,000	780,000	2,400,000	3,180,000	20%	20%
Mr. Chandrashekhar Bhave	Independent Director	630,000	2,000,000	2,630,000	760,000	2,400,000	3,160,000	21%	20%
Ms. Kalpana Unadkat *	Independent Director	310,000	1,333,333	1,643,333	660,000	2,400,000	3,060,000	NA	NA
Mrs. Manjri Chandak	Non-Executive Director	620,000	-	620,000	720,000	-	720,000	16%	NA
Mr. Ignatius Navil Noronha	Managing Director & CEO	45,517,836	-	45,517,836	45,529,836	-	45,529,836	0.03	-
Mr. Ramakant Baheti	Whole-time Director & Group CFO	10,410,960	-	10,410,960	10,422,960	-	10,422,960	0.12	-
Mr. Elvin Machado	Whole-time Director	6,052,548	1,200,000	7,252,548	7,007,354	600,000	7,607,354	16%	(50)%
Mr. Niladri Deb **	Chief Financial Officer	10,968,755	-	10,968,755	14,108,538	3,605,479	17,714,017	NA	NA
Mrs. Ashu Gupta	Company Secretary & Compliance Officer	3,241,080	600,000	3,841,080	3,635,156	800,000	4,435,156	12%	33%

*Ms. Kalpana Unadkat was appointed as an Independent Director w.e.f. 30th July, 2018 and hence remuneration paid to her in FY 2019-20 is not comparable with the remuneration paid to her in the financial year 2018-19.

**Mr. Niladri Deb was appointed as CFO of the Company w.e.f. 7th May, 2018 and hence remuneration paid to him in FY 2019-20 is not comparable with the remuneration paid to him in the financial year 2018-19.

Notes:

1. The number of permanent employees on the rolls of Company as on 31st March, 2020 was 9,456.
2. The remuneration is as per the Nomination and Remuneration Policy of the Company.
3. Remuneration is shown excluding perquisites on exercise of ESOPs.

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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]
For the Financial Year ended 31st March, 2020

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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2020, 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.

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, 2020, 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 thereunder;

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

   (iv) Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings 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, 2018;

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

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

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 (Delisting of Equity Shares) Regulations, 2009;

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

   c) 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) Standards of Weights and Measures Act, 1985

e) 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;

- the Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

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. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings (including the meeting conducted on shorter notice), 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.

As regards, events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. we report that during the year under report, the Company;

a) has obtained shareholder's approval by way of special Resolution passed in the Annual General Meeting of the Company held on 20th August, 2019, authorising the Board of Directors of the Company –

   i. to offer, issue and allot secured, rated, cumulative, redeemable, non-convertible debentures aggregating up to an amount not exceeding ₹ 15,000,000,000 (Rupees One Thousand and Five Hundred Crore Only).

   ii. issuance of up to 25,000,000 (Two Crore and Fifty Lakh) equity shares of face value of ₹ 10/- each through Qualified Institutions Placement ("QIP") in order to achieve Minimum Public shareholding in the Company in accordance with applicable laws.

b) The Company has allotted –

- 1,000 Secured Rated Unlisted Redeemable Non-Convertible Debentures (NCD) of ₹ 10,00,000/- (Rupees Ten Lakh) each aggregating to ₹ 100,00,00,000/- (Rupees One Hundred Crore only) on private placement basis by the Operations Committee on their meeting held on 18th September, 2019;

- 1,000 Secured Rated Listed Redeemable Non-Convertible Debentures (NCD) of ₹ 10,00,000/- (Rupees Ten Lakh) each aggregating to ₹ 100,00,00,000/- (Rupees One Hundred Crore only) on private placement basis by the Operations Committee on their meeting held on 27th September, 2019 and;

- 1,000 Secured Rated Unlisted Redeemable Non-Convertible Debentures (NCD) of ₹ 10,00,000/- (Rupees Ten Lakh) each aggregating to ₹ 100,00,00,000/- (Rupees One Hundred Crore only) on private placement basis by the Operations Committee on their meeting held on 17th October, 2019.

c) The Company has allotted –

- 1,922,254 equity shares of ₹ 10/- each at an exercise price of ₹ 299/- per equity share to eligible employees under the Avenue Supermarts Limited Employee Stock Option Scheme, 2016 ("ESOP 2016") by the ESOP Committee on their meeting held on 6th November, 2019;

ANNEXURE VI

- 953,629 equity shares of ₹ 10/- each at an exercise price of ₹ 299/- per equity share to eligible employees under the Avenue Supermarts Limited Employee Stock Option Scheme, 2016 ("ESOP 2016") by the ESOP Committee on their meeting held on 26th November, 2019 and;

- 814,322 equity shares of ₹ 10/- each at an exercise price of ₹ 299/- per equity share to eligible employees under the Avenue Supermarts Limited Employee Stock Option Scheme, 2016 ("ESOP 2016") by the ESOP Committee on their meeting held on 24th December, 2019.

d) The Company has issued and allotted 20,000,000 Equity Shares of face value ₹ 10 each to eligible qualified institutional buyers at the issue price of ₹ 2,049 per Equity Share (including a premium of ₹ 2,039 per Equity Share), aggregating to ₹ 40,980,000,000 (Rupees Four Thousand and Ninty Eight Crore only) on private placement basis by the Operation Committee on their meeting held on 11th February, 2020.

e) The Company has redeemed 1,000 Secured Rated Unlisted Redeemable Non-Convertible Debentures (NCD) allotted on 17th October, 2019, 1,000 Secured Rated Unlisted Redeemable Non-Convertible Debentures (NCD) allotted on 18th September, 2019 and 1,000 Secured Rated Listed Redeemable Non-Convertible Debentures (NCD) allotted on 27th September, 2019 of ₹ 10,00,000/- (Rupees Ten Lakh) each aggregating to ₹ 100,00,00,000/- (Rupees One Hundred Crore only) as on 17th March, 2020, 18th March, 2020 and 27th March, 2020 respectively.

For **Rathi & Associates**
Company Secretaries

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

Date: 23rd May, 2020
Place: Mumbai
UDIN: F005171B000272867

Note: This report should be read with our letter which is annexed as Annexure-B and forms an integral part of this report.

ANNEXURE-A

List of documents verified

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended 31st March, 2019;
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 during the said audit period under review.

ANNEXURE-B

To,
The Board of Directors
Avenue Supermarts Limited
Mumbai

Dear Sirs,

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

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

For **Rathi & Associates**
Company Secretaries

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

Date: 23rd May, 2020
Place: Mumbai
UDIN: F005171B000272867

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ANNEXURE VII

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

[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
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	99.82	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	327,919,156	-	327,919,156	52.54	306,889,156		306,889,156	47.38	(5.16)
Promoters Group	108,000		108,000	0.02	108,000		108,000	0.02	-
b) Central Government	-	-	-	-	-	-	-	-	
c) State Government(s)	-	-	-	-	-	-	-	-	
d) Bodies Corporate	88,750,000		88,750,000	14.22	88,750,000		88,750,000	13.70	(0.52)
e) Banks/FI	-	-	-	-	-	-	-		
f) Any other (Trust)	90,000,000	-	90,000,000	14.42	90,000,000	-	90,000,000	13.89	(0.53)
Sub-total(A)(1):	**506,777,156**	**-**	**506,777,156**	**81.20**	**485,747,156**	**-**	**485,747,156**	**74.99**	**(6.21)**
(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)	**506,777,156**	**-**	**506,777,156**	**81.20**	**485,747,156**	**-**	**485,747,156**	**74.99**	**(6.21)**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	18,359,822	-	18,359,822	2.94	36,808,302	-	36,808,302	5.68	2.74
b) Banks/FI	229,494	-	229,494	0.04	110,320	-	110,320	0.02	(0.02)
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	3,156,460	-	3,156,460	0.49	0.49
g) FIIs/Foreign portfolio investor	36,868,811	-	36,868,811	5.91	62,323,097	-	62,323,097	9.62	3.71
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Alternate Investment Funds	1,410,790	-	1,410,790	0.23	2,426,070	-	2,426,070	0.37	0.14
Sub-total (B)(1):	**56,868,917**	**-**	**56,868,917**	**9.11**	**104,824,249**	**-**	**104,824,249**	**16.18**	**7.07**
(2) Non-Institutions									
a) Bodies Corporate	2,571,097	-	2,571,097	0.41	2,292,581	-	2,292,581	0.35	(0.06)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	16,212,331	243,056	16,455,387	2.64	16,694,769	110,106	16,804,875	2.59	(0.05)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	26,542,513	13,123,450	39,665,963	6.35	23,446,488	12,833,300	36,279,788	5.60	(0.75)
c) Others (specify)									
Trust	25,227	-	25,227	0.00	5501	0	5,501	0.00	0.00
NBFC registered with RBI	19,394	0	19,394	0.00	10,336	0	10,336	0.00	0.00
Foreign Nationals	-	-	-	-	219	0	219	0.00	0.00
Hindu Undivided Family	731,055	10,000	741,055	0.12	690,150	10000	700,150	0.11	(0.01)
Non-Resident Indians (Non-Repat)	247,073	-	247,073	0.04	274,779	0	274,779	0.04	0.00
Non-Resident Indians (Repat)	332,989	-	332,989	0.05	399,989	0	399,989	0.06	0.01
Foreign Portfolio Investor (Individual)	102	-	102	0.00	102	0	102	0.00	0.00
Clearing Member	380,126	-	380,126	0.06	434,966	0	434,966	0.07	0.01
Sub-total(B)(2):	**47,061,907**	**13,376,506**	**60,438,413**	**9.68**	**44,249,880**	**12,953,406**	**57,203,286**	**8.83**	**(0.85)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**103,930,824**	**13,376,506**	**117,307,330**	**18.8**	**149,074,129**	**12,953,406**	**162,027,535**	**25.01**	**6.21**
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	**610,707,980**	**13,376,506**	**624,084,486**	**100.00**	**634,821,285**	**12,953,406**	**647,774,691**	**100.00**	**0.00**

ANNEXURE VII

ii. Shareholding of Promoters and Promoters Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% change in shareholding 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	239,689,156	38.41	-	222,159,156	34.30	-	(4.11)
2	Mr. Gopikishan S. Damani	50,980,000	8.17	-	49,480,000	7.64	-	(0.53)
3	Mrs. Shrikantadevi R. Damani	22,250,000	3.57	-	21,250,000	3.28	-	(0.29)
4	Mrs. Kirandevi G. Damani	15,000,000	2.40	-	14,000,000	2.16	-	(0.24)
5	Bright Star Investments Pvt. Ltd.	88,750,000	14.22	-	88,750,000	13.70	-	(0.52)
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	2.78	-	(0.10)
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	2.78	-	(0.10)
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	2.78	-	(0.10)
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	2.78	-	(0.10)
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	2.78	-	(0.10)
11	Mrs. Rukmanidevi Mohanlal Bagri (Promoter Group)	100,000	0.02	-	100,000	0.02	-	0
12	Mrs. Chanda Chandak (Promoter Group)	8,000	0	-	8,000	0	-	0
	Total	**506,777,156**	**81.20**	**-**	**485,747,156**	**74.99**	**-**	**(6.21)**

iii. Change in Promoter and Promoter group Shareholding

Sr. No	Name of the Promoters	Shareholding at the beginning of the year (01.04.2019)		Date	Net Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Radhakishan S. Damani	239,689,156	38.41	09.08.2019	(6,230,000)	Market Sale	233,459,156	36.04
				14.02.2020	(10,169,999)	Offer for Sale of Shares by Promoters through the Stock Exchange Mechanism	223,289,157	34.47
				17.02.2020	(1,130,001)		222,159,156	34.30
2	Mr. Gopikishan S. Damani	50,980,000	8.17	14.02.2020	(1,349,999)	Offer for Sale of Shares by Promoters through the Stock Exchange Mechanism	49,630,001	7.66
				17.02.2020	(150,001)		49,480,000	7.64
3	Mrs. Shrikantadevi R. Damani	22,250,000	3.57	14.02.2020	(900,001)		21,349,999	3.30
				17.02.2020	(99,999)		21,250,000	3.28
4	Mrs. Kirandevi G. Damani	15,000,000	2.40	14.02.2020	(900,001)		14,099,999	2.18
				17.02.2020	(99,999)		14,000,000	2.16

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Sr. No	Name of the Promoters	Shareholding at the beginning of the year (01.04.2019) No. of shares	Shareholding at the beginning of the year (01.04.2019) % of total shares of the Company	Date	Net Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020) No. of shares	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020) % of total shares of the Company
5	Bright Star Investments Pvt. Ltd.	88,750,000	14.22	-	-	-	88,750,000	13.70
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	2.78
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	2.78
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	2.78
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	2.78
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	2.78
11	Mrs. Rukmanidevi Mohanlal Bagri (Promoter Group)	100,000	0.02	-	-	-	100,000	0.02
12	Mrs. Chanda Chandak (Promoter Group)	8,000	0.00	-	-	-	8,000	0.00

Note: Increase/decrease in shareholding of Promoters is based on disclosures received from them.

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 (01.04.2019) No. of shares held	Shareholding at the beginning of the year (01.04.2019) % of total shares of the Company	Transactions during the year Date of Transaction	Transactions during the year No. of Shares Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding at the end of the year – 31.03.2020 No. of shares held	Cumulative Shareholding at the end of the year – 31.03.2020 % of total shares of the Company
1	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long-Term Equity Fund	12,531,063	2.01	05 Apr 2019	110,000	Purchase/ Sale	12,641,063	1.95
				12 Apr 2019	735,217		13,376,280	2.07
				19 Apr 2019	170,000		13,546,280	2.09
				03 May 2019	82,000		13,628,280	2.10
				10 May 2019	191,893		13,820,173	2.13
				17 May 2019	193,900		14,014,073	2.16
				24 May 2019	189,697		14,203,770	2.19
				31 May 2019	235,209		14,438,979	2.23
				07 Jun 2019	74,362		14,513,341	2.24
				21 Jun 2019	189,107		14,702,448	2.27
				29 Jun 2019	186,000		14,888,448	2.30
				05 Jul 2019	100,000		14,988,448	2.31
				12 Jul 2019	185,000		15,173,448	2.34
				19 Jul 2019	120,000		15,293,448	2.36
				26 Jul 2019	70,634		15,364,082	2.37
				09 Aug 2019	80,000		15,444,082	2.38
				16 Aug 2019	25,000		15,469,082	2.39
				23 Aug 2019	(2,358)		15,466,724	2.39
				30 Aug 2019	92,916		15,559,640	2.40
				06 Sep 2019	(2,875)		15,556,765	2.40
				13 Sep 2019	108,739		15,665,504	2.42
				20 Sep 2019	164,975		15,830,479	2.44

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ANNEXURE VII

Sr. No	Name of the Top Ten Shareholders	Shareholding at the beginning of the year (01.04.2019)		Transactions during the year		Reason	Cumulative Shareholding at the end of the year – 31.03.2020	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares Increase/ (Decrease) in Shareholding		No. of shares held	% of total shares of the Company
				27 Sep 2019	66,853		15,897,332	2.45
				04 Oct 2019	174,438		16,071,770	2.48
				11 Oct 2019	275		16,072,045	2.48
				18 Oct 2019	(40,295)		16,031,750	2.47
				25 Oct 2019	67,430		16,099,180	2.49
				01 Nov 2019	59,525		16,158,705	2.49
				08 Nov 2019	(306)		16,158,399	2.49
				15 Nov 2019	14,793		16,173,192	2.50
				22 Nov 2019	38,755		16,211,947	2.50
				29 Nov 2019	(47,868)		16,164,079	2.50
				06 Dec 2019	(92)		16,163,987	2.50
				13 Dec 2019	(297)		16,163,690	2.50
				20 Dec 2019	546,609		16,710,299	2.58
				27 Dec 2019	99,965		16,810,264	2.60
				31 Dec 2019	53,596		16,863,860	2.60
				03 Jan 2020	55,000		16,918,860	2.61
				10 Jan 2020	(6,769,306)		10,149,554	1.57
				17 Jan 2020	7,103,328		17,252,882	2.66
				24 Jan 2020	249,926		17,502,808	2.70
				31 Jan 2020	119,810		17,622,618	2.72
				07 Feb 2020	(1,058)		17,621,560	2.72
				14 Feb 2020	2,439,962		20,061,522	3.10
				21 Feb 2020	36,093		20,097,615	3.10
				06 Mar 2020	156,216		20,253,831	3.13
				13 Mar 2020	19,013		20,272,844	3.13
				20 Mar 2020	37,679		20,310,523	3.14
				27 Mar 2020	414		20,310,937	3.14
				31 Mar 2020	171		20,311,108	3.14
2	ICICI Prudential Bluechip Fund	1,887,085	0.30	05 Apr 2019	(35,595)	Purchase/ Sale	1,851,490	0.29
				12 Apr 2019	956		1,852,446	0.29
				19 Apr 2019	152		1,852,598	0.29
				26 Apr 2019	989		1,853,587	0.29
				03 May 2019	273,924		2,127,511	0.33
				10 May 2019	(77)		2,127,434	0.33
				17 May 2019	8,181		2,135,615	0.33
				24 May 2019	1,699		2,137,314	0.33
				31 May 2019	1,998		2,139,312	0.33
				07 Jun 2019	(105)		2,139,207	0.33
				14 Jun 2019	1,266		2,140,473	0.33
				21 Jun 2019	34,692		2,175,165	0.34
				29 Jun 2019	444		2,175,609	0.34
				05 Jul 2019	(1,036)		2,174,573	0.34
				12 Jul 2019	44,612		2,219,185	0.34
				19 Jul 2019	500		2,219,685	0.34
				26 Jul 2019	833		2,220,518	0.34
				02 Aug 2019	1,343		2,221,861	0.34
				09 Aug 2019	13,738		2,235,599	0.35
				16 Aug 2019	66,114		2,301,713	0.36
				23 Aug 2019	1,501		2,303,214	0.36

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Sr. No	Name of the Top Ten Shareholders	Shareholding at the beginning of the year (01.04.2019)		Transactions during the year		Reason	Cumulative Shareholding at the end of the year – 31.03.2020	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares Increase/ (Decrease) in Shareholding		No. of shares held	% of total shares of the Company
				30 Aug 2019	6,232		2,309,446	0.36
				06 Sep 2019	11,103		2,320,549	0.36
				13 Sep 2019	786		2,321,335	0.36
				20 Sep 2019	(189,039)		2,132,296	0.33
				27 Sep 2019	(132,988)		1,999,308	0.31
				30 Sep 2019	(3,819)		1,995,489	0.31
				04 Oct 2019	3,926		1,999,415	0.31
				11 Oct 2019	2,229		2,001,644	0.31
				18 Oct 2019	89,100		2,090,744	0.32
				25 Oct 2019	(232)		2,090,512	0.32
				01 Nov 2019	214		2,090,726	0.32
				08 Nov 2019	(3,440)		2,087,286	0.32
				15 Nov 2019	(1,467)		2,085,819	0.32
				22 Nov 2019	654		2,086,473	0.32
				29 Nov 2019	290		2,086,763	0.32
				06 Dec 2019	(73,533)		2,013,230	0.31
				13 Dec 2019	1,224		2,014,454	0.31
				20 Dec 2019	623		2,015,077	0.31
				27 Dec 2019	(79)		2,014,998	0.31
				31 Dec 2019	5,004		2,020,002	0.31
				03 Jan 2020	512		2,020,514	0.31
				10 Jan 2020	(57,299)		1,963,215	0.30
				17 Jan 2020	(159,772)		1,803,443	0.28
				24 Jan 2020	(293)		1,803,150	0.28
				31 Jan 2020	(15,109)		1,788,041	0.28
				07 Feb 2020	5,245		1,793,286	0.28
				14 Feb 2020	2,423,307		4,216,593	0.65
				21 Feb 2020	546,545		4,763,138	0.74
				28 Feb 2020	(46,237)		4,716,901	0.73
				06 Mar 2020	194,173		4,911,074	0.76
				13 Mar 2020	92,316		5,003,390	0.77
				20 Mar 2020	(17,042)		4,986,348	0.77
				27 Mar 2020	(112,837)		4,873,511	0.75
				31 Mar 2020	(15,452)		4,858,059	0.75
3	Government of Singapore	1,087,035	0.17	05 Apr 2019	24,212	Purchase/ Sale	1,111,247	0.17
				03 May 2019	(8,599)		1,102,648	0.17
				10 May 2019	(32,557)		1,070,091	0.17
				17 May 2019	(6,790)		1,063,301	0.16
				24 May 2019	(3,222)		1,060,079	0.16
				31 May 2019	(26,813)		1,033,266	0.16
				07 Jun 2019	172,407		1,205,673	0.19
				14 Jun 2019	15,146		1,220,819	0.19
				21 Jun 2019	36,599		1,257,418	0.19
				05 Jul 2019	6,608		1,264,026	0.20
				19 Jul 2019	(4,389)		1,259,637	0.19
				26 Jul 2019	(6,521)		1,253,116	0.19
				02 Aug 2019	(8,241)		1,244,875	0.19
				09 Aug 2019	(13,905)		1,230,970	0.19
				16 Aug 2019	(5,572)		1,225,398	0.19

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ANNEXURE VII

Sr. No	Name of the Top Ten Shareholders	Shareholding at the beginning of the year (01.04.2019) No. of shares held	% of total shares of the Company	Transactions during the year Date of Transaction	No. of Shares Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding at the end of the year – 31.03.2020 No. of shares held	% of total shares of the Company
				23 Aug 2019	(9,775)		1,215,623	0.19
				30 Aug 2019	(20,019)		1,195,604	0.18
				06 Sep 2019	899		1,196,503	0.18
				20 Sep 2019	3,697		1,200,200	0.19
				27 Sep 2019	40,000		1,240,200	0.19
				30 Sep 2019	(1,056)		1,239,144	0.19
				04 Oct 2019	17,037		1,256,181	0.19
				11 Oct 2019	(4,516)		1,251,665	0.19
				18 Oct 2019	4,042		1,255,707	0.19
				25 Oct 2019	(13,597)		1,242,110	0.19
				01 Nov 2019	(3,518)		1,238,592	0.19
				08 Nov 2019	1,579		1,240,171	0.19
				15 Nov 2019	(4,369)		1,235,802	0.19
				22 Nov 2019	(447)		1,235,355	0.19
				29 Nov 2019	(73,600)		1,161,755	0.18
				06 Dec 2019	(73,384)		1,088,371	0.17
				13 Dec 2019	(18,567)		1,069,804	0.17
				20 Dec 2019	12,323		1,082,127	0.17
				31 Dec 2019	(23,665)		1,058,462	0.16
				10 Jan 2020	(4,434)		1,054,028	0.16
				17 Jan 2020	(11,898)		1,042,130	0.16
				24 Jan 2020	(9,651)		1,032,479	0.16
				31 Jan 2020	(425)		1,032,054	0.16
				07 Feb 2020	62,208		1,094,262	0.17
				14 Feb 2020	1,704,737		2,798,999	0.43
				21 Feb 2020	1,354,266		4,153,265	0.64
				28 Feb 2020	(1,272)		4,151,993	0.64
				06 Mar 2020	(79,849)		4,072,144	0.63
				13 Mar 2020	(11,643)		4,060,501	0.63
				20 Mar 2020	(7,178)		4,053,323	0.63
				27 Mar 2020	(267,411)		3,785,912	0.58
				31 Mar 2020	(10,838)		3,775,074	0.58
4	Euro Pacific Growth Fund	0	0.00	14 Feb 2020	1,192,864	Purchase	1,192,864	0.18
				21 Feb 2020	1,790,000		2,982,864	0.46
5	Lone Cypress, Ltd.	0	0.00	14 Feb 2020	2,393,850	Purchase	2,393,850	0.37
6	Vanguard Total International Stock Index Fund	1,823,201	0.29	05 Apr 2019	18,294	Purchase/ Sale	1,841,495	0.28
				26 Apr 2019	(48,377)		1,793,118	0.28
				10 May 2019	27,417		1,820,535	0.28
				31 May 2019	29,183		1,849,718	0.29
				09 Aug 2019	23,332		1,873,050	0.29
				23 Aug 2019	37,971		1,911,021	0.30
				07 Feb 2020	14,415		1,925,436	0.30
				21 Feb 2020	241,493		2,166,929	0.33
				28 Feb 2020	12,191		2,179,120	0.34
				27 Mar 2020	(40,770)		2,138,350	0.33

ANNEXURE VII

Sr. No	Name of the Top Ten Shareholders	Shareholding at the beginning of the year (01.04.2019)		Transactions during the year		Reason	Cumulative Shareholding at the end of the year – 31.03.2020	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares Increase/ (Decrease) in Shareholding		No. of shares held	% of total shares of the Company
7	SBI Focused Equity Fund	19,161	0.003	05 Apr 2019	1,594	Purchase/ Sale	20,755	0.00
				12 Apr 2019	1,263		22,018	0.00
				19 Apr 2019	986		23,004	0.00
				26 Apr 2019	1,244		24,248	0.00
				03 May 2019	1,934		26,182	0.00
				10 May 2019	2,738		28,920	0.00
				17 May 2019	3,909		32,829	0.01
				24 May 2019	1,650		34,479	0.01
				31 May 2019	985		35,464	0.01
				07 Jun 2019	3,771		39,235	0.01
				14 Jun 2019	2,227		41,462	0.01
				21 Jun 2019	1,794		43,256	0.01
				29 Jun 2019	193,528		236,784	0.04
				05 Jul 2019	5,582		242,366	0.04
				12 Jul 2019	4,032		246,398	0.04
				19 Jul 2019	2,053		248,451	0.04
				26 Jul 2019	2,913		251,364	0.04
				02 Aug 2019	2,954		254,318	0.04
				09 Aug 2019	1,643		255,961	0.04
				16 Aug 2019	1,449		257,410	0.04
				23 Aug 2019	2,240		259,650	0.04
				30 Aug 2019	2,563		262,213	0.04
				06 Sep 2019	1,287		263,500	0.04
				13 Sep 2019	2,096		265,596	0.04
				20 Sep 2019	3,674		269,270	0.04
				27 Sep 2019	(10,091)		259,179	0.04
				30 Sep 2019	380		259,559	0.04
				04 Oct 2019	1,424		260,983	0.04
				11 Oct 2019	(76,204)		184,779	0.03
				18 Oct 2019	(108,025)		76,754	0.01
				25 Oct 2019	1		76,755	0.01
				01 Nov 2019	80		76,835	0.01
				08 Nov 2019	45		76,880	0.01
				15 Nov 2019	(1,407)		75,473	0.01
				22 Nov 2019	(1,803)		73,670	0.01
				29 Nov 2019	47		73,717	0.01
				06 Dec 2019	1,095		74,812	0.01
				13 Dec 2019	240		75,052	0.01
				20 Dec 2019	383		75,435	0.01
				27 Dec 2019	197		75,632	0.01
				31 Dec 2019	2,331		77,963	0.01
				03 Jan 2020	120		78,083	0.01
				10 Jan 2020	304		78,387	0.01
				17 Jan 2020	597		78,984	0.01
				24 Jan 2020	443		79,427	0.01
				31 Jan 2020	(1,022)		78,405	0.01
				07 Feb 2020	22,400		100,805	0.02
				14 Feb 2020	973,905		1,074,710	0.17
				21 Feb 2020	360,167		1,434,877	0.22

ANNEXURE VII

Sr. No	Name of the Top Ten Shareholders	Shareholding at the beginning of the year (01.04.2019)		Transactions during the year		Reason	Cumulative Shareholding at the end of the year – 31.03.2020	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares Increase/ (Decrease) in Shareholding		No. of shares held	% of total shares of the Company
				28 Feb 2020	10,780		1,445,657	0.22
				06 Mar 2020	514,091		1,959,748	0.30
				13 Mar 2020	88,561		2,048,309	0.32
				20 Mar 2020	11,980		2,060,289	0.32
				27 Mar 2020	5,952		2,066,241	0.32
				31 Mar 2020	50,000		2,116,241	0.33
8	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	1,777,398	0.28	12 Apr 2019	48,146	Purchase/ Sale	1,825,544	0.28
				10 May 2019	4,200		1,829,744	0.28
				21 Jun 2019	(9,450)		1,820,294	0.28
				02 Aug 2019	9,691		1,829,985	0.28
				27 Sep 2019	(29,345)		1,800,640	0.28
				27 Dec 2019	(46,740)		1,753,900	0.27
				21 Feb 2020	219,979		1,973,879	0.30
				27 Mar 2020	(57,477)		1,916,402	0.30
9	Robeco Capital Growth Funds	1,801,948	0.29	06 Sep 2019	6,388	Purchase/ Sale	1,808,336	0.28
				27 Sep 2019	(150,000)		1,658,336	0.26
				13 Dec 2019	6,173		1,664,509	0.26
				20 Dec 2019	343,827		2,008,336	0.31
				14 Feb 2020	(250,000)		1,758,336	0.27
				21 Feb 2020	5,500		1,763,836	0.27
				13 Mar 2020	1,851		1,765,687	0.27
10	Universities Superannuation Scheme Limited (USSL) as Trustee of Universities Superannuation Scheme	1,417,000	0.23	03 May 2019	(200,000)	Purchase/ Sale	1,217,000	0.19
				07 Feb 2020	(124,308)		1,092,692	0.17
				14 Feb 2020	678,585		1,771,277	0.27
				21 Feb 2020	(90,000)		1,681,277	0.26
				20 Mar 2020	(65,000)		1,616,277	0.25

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 Key Managerial Personnel	Shareholding at the beginning of the year (01.04.2019)		Date	Net Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		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	0	0	-	-	No change	0	0
4	Mrs. Manjri Chandak	0	0	-	-	No change	0	0
5	Mr. Ignatius Navil Noronha	13,500,000	2.16	10-Dec-19	(111,439)	Market Sale	13,388,561	2.07
				11-Dec-19	(187,326)		13,201,235	2.04
6	Mr. Ramakant Baheti	2,975,000	0.48	5-Dec-19	(25,000)	Market Sale	2,950,000	0.46
				6-Dec-19	(61,873)		2,888,127	0.45
				9-Dec-19	(37,788)		2,850,339	0.44
7	Mr. Elvin Machado	330,595	0.05	25-Jul-19	(6,224)	Market Sale	324,371	0.05
				29-Jul-19	(8,000)		316,371	0.05
				30-Jul-19	(1,000)		315,371	0.05
				31-Jul-19	(5,577)		309,794	0.05
				26-Nov-19	12,000	ESOP allotment	321,794	0.05
8	Mr. Niladri Deb	200	0	-	-	No change	200	0
9	Mrs. Ashu Gupta	92,000	0.01	13-Sep-19	(2,000)	Market Sale	90,000	0.01
				29-Oct-19	(500)		89,500	0.01
				8-Nov-19	(100)		89,400	0.01
				14-Nov-19	(1,000)		88,400	0.01
				19-Nov-19	(2,000)		86,400	0.01
				22-Nov-19	(100)		86,300	0.01
				25-Nov-19	(1,000)		85,300	0.01
				27-Nov-19	(4,000)		81,300	0.01
				28-Nov-19	(500)		80,800	0.01
				4-Dec-19	(500)		80,300	0.01
				13-Dec-19	(500)		79,800	0.01
				24-Dec-19	5,200	ESOP allotment	85,000	0.01
				16-Jan-20	(1,000)	Market Sale	84,000	0.01
				17-Feb-20	(600)		83,400	0.01
				19-Feb-20	(500)		82,900	0.01

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	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**
Change in Indebtedness during the financial year				
• Addition (Principal)	875.69	1,039.46	-	1,915.15
• Reduction (Principal)	(1,286.66)	(1,285.91)	-	(2,572.57)
Net Change	**(410.97)**	**(246.45)**	**-**	**(657.42)**
Indebtedness at the end of the financial year				
i) Principal Amount	37.73	-	-	37.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.96	-	-	1.96
Total (i+ii+iii)	**39.69**	**-**	**-**	**39.69**

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	43,812,000	10,032,000	73,29,350	61,173,350
	(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	-	-	19,579,200	19,579,200
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others – Employers Contribution to Provident Fund	1,699,836	390,960	278,004	2,368,800
	Total (A)	**45,529,836**	**10,422,960**	**27,186,554**	**83,139,350**
	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 VII

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	760,000	780,000	660,000	2,200,000
	(b) Commission	2,400,000	2,400,000	2,400,000	7,200,000
	(c) Others, please specify	-	-		-
	Total (1)	**3,160,000**	**3,180,000**	**3,060,000**	**9,400,000**
2.	**Other Non-Executive Directors**	**Mrs. Manjri Chandak**			
	(a) Fee for attending Board/Committee Meetings	720,000	-		720,000
	(b) Commission	-	-		-
	(c) Others, please specify	-	-		-
	Total (2)	**720,000**	**-**		**720,000**
	Total B = (1+2)				**10,120,000**
	Managerial Remuneration (Total A+B)				**93,259,350**
	Overall Ceiling as per the Act	₹ 159.61 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	Mr. Niladri Deb, CFO	Mrs. Ashu Gupta, Company Secretary	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	17,044,274	4,287,400	21,331,674
	(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	-	-	7,930,605	7,930,605
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please Specify (Employer Contribution to Provident Fund)	-	651,743	147,756	799,499
	Total	**-**	**17,714,017**	**12,365,761**	**30,079,778**

*CEO and Group CFO Remuneration is already reported above in VI A, as both Directors are managing these profiles additionally.

ANNEXURE VII

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 & CEO
DIN: 01787989

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

Place: Thane
Date: 23rd May, 2020

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 & 1 Platinum Certified Green Building Certification; taking our total to 74 stores (covering more than 3.5 million sq. ft. of development). This certification is issued by the Indian Green Building Council (IGBC) under New Buildings / Green Interiors Rating System (for 70 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 79 stores have solar panels installed on their Rooftops and 1 Carport (Solar Panels above Car Parking) with a total commissioned capacity of 7 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. **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 utilising alternate sources of energy	Installation of Solar Plants at several existing and new stores. In all 79 stores have solar panels installed on their Rooftops & 1 Carport (Solar Panels above Car Parking) with a total commissioned capacity of 7 MW.
Capital investment on energy conservation equipment	₹ 7 crore

ANNEXURE VIII

(B) Technology absorption

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

(C) Foreign exchange earnings and outgo

(₹ in crore)

Particulars	Financial year 2019-20	Financial year 2018-19
Actual Foreign Exchange earnings	5.04	5.98
Actual Foreign Exchange outgo	626.27	650.29

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 behaviour. 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 Non-Independent 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. 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, 2020 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	2	1	1	1. Aptech Limited 2. VIP Industries Limited	Non-Executive, Independent Director Non-Executive, Independent Director
Mr. Chandrashekhar Bhave (DIN: 00059856)	Non-Executive, Independent Director	3	2	1	1. Mahindra & Mahindra Financial Services Limited 2. Tejas Networks Limited	Non-Executive, Independent Director Non-Executive, Independent Director
Ms. Kalpana Unadkat (DIN: 02490816)	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	-	-	-	-	-

* 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, 2020

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	13,201,235	2.04
Mr. Ramakant Baheti	Executive Director	2,850,339	0.44
Mr. Elvin Machado	Executive Director	321,794	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.

Six 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:

11th May, 2019, 13th July, 2019, 12th October, 2019, 11th January, 2020, 5th February, 2020 and 3rd March, 2020. The Nineteenth Annual General Meeting of the Shareholders of the Company was held on Tuesday, 20th August, 2019.

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 20th August, 2019
	Meetings held during the Director's tenure	Board Meetings attended	
Mr. Ramesh Damani	6	6	Yes
Mr. Chandrashekhar Bhave	6	6	Yes
Ms. Kalpana Unadkat	6	6	Yes
Mrs. Manjri Chandak	6	6	Yes
Mr. Ignatius Navil Noronha	6	6	Yes
Mr. Ramakant Baheti	6	6	Yes
Mr. Elvin Machado	6	6	Yes

Separate Independent Directors Meeting

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, 11th January, 2020. The agenda was to review the performance of Non-Independent Directors, 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 familiarised on the business model, strategies, operations, functions, policies and procedures of the Company and its subsidiaries. All Directors attend the familiarisation 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: https://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 summarises 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	Mr. Ignatius Navil Noronha
• Human Resources	Mrs. Manjri Chandak
• Supply Chain	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 their 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, 2020; 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

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 invite the Internal Auditors 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 judgement 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 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 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 utilisation 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

During Financial Year 2019-20, Six Audit Committee meetings were held. The meetings were held on 11th May, 2019, 13th July, 2019, 12th October, 2019 and 11th January, 2020, 5th February, 2020 and 3rd March, 2020. 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	6	6
Mr. Ramesh Damani	Member	6	6
Ms. Kalpana Unadkat	Member	6	6
Mr. Ramakant Baheti	Member	6	6

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 11th May, 2019, 20th August, 2019, 12th October, 2019 and 11th January, 2020. 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 Director's 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 judgement 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 2019-20 are as under:

(Amount in ₹)

Names of Non-Executive Directors	Sitting Fees	Commission
Mr. Ramesh Damani	780,000	2,400,000
Mr. Chandrashekhar Bhave	760,000	2,400,000
Ms. Kalpana Unadkat	660,000	2,400,000
Mrs. Manjri Chandak	720,000	-

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 2019-20 are as follows:

(Amount in ₹)

Name	Designation	Basic Salary	Company's contribution to provident fund	Perquisites	Variable	Stock option	Gross Remuneration
Mr. Ignatius Navil Noronha	Managing Director & CEO	43,812,000	1,699,836	18,000	-	-	45,529,836
Mr. Ramakant Baheti	Whole-time Director & Group CFO	10,032,000	390,960	-	-	-	10,422,960
Mr. Elvin Machado	Whole-time Director	6,729,350	278,004	-	600,000	19,579,200	27,186,554

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 re-appointed as a Whole-time Director of the Company for a period of five years from 1st May, 2019 up to 30th April, 2024.

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

<table>
<tr><th>Name of Directors</th><th>Category</th><th>Date of grant</th><th>Options granted</th><th>Options vested and exercised</th><th>Grant price per equity share (₹)</th><th>Vesting period</th><th>Exercise period</th></tr>
<tr><td>Mr. Ignatius Navil Noronha</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Mr. Ramakant Baheti</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td rowspan="3">Mr. Elvin Machado</td><td>Class A Options</td><td rowspan="3">14.03.2017</td><td>60,000</td><td>NA</td><td>₹ 299</td><td>9 years</td><td rowspan="3">3 months from the date of vesting or such other period as may be determined by the ESOP Committee</td></tr>
<tr><td>Class B Options</td><td>45,000</td><td>NA</td><td>₹ 299</td><td>6 years</td></tr>
<tr><td>Class C Options</td><td>15,000</td><td>12,000</td><td>₹ 299</td><td>2.5 years</td></tr>
</table>

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.

Mrs. Manjri Chandak, Non-Executive Director is the Chairperson of the Committee and Mrs. 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/ sub-division/ 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, 2020, two meetings of Stakeholders Relationship Committee were held i.e. on 26th July, 2019 and 10th December, 2019. The Company Secretary of the Company acts as 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	2	2
Mr. Ramesh Damani	Member	2	2
Mr. Ramakant Baheti	Member	2	2

Investor Complaints

The details of investor complaints received/redressed during the financial year 2019-20 is as under:

Complaints as on 01.04.2019	Received during the year	Resolved during the year	Pending as on 31.03.2020
0	2	2	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 focussed 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, 2020 on 11th May, 2019, 13th July, 2019 and 12th October, 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 provisions of Regulation 21 of the Listing Regulations.

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

a) 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;

b) 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;

c) 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;

d) 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;

e) 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;

f) 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;

g) 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

h) 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, two meetings of the Risk Management Committee were held on 5th August, 2019 and 30th March, 2020. 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	2	2
Mr. Ramakant Baheti	Member	2	2
Mrs. Manjri Chandak	Member	2	2
Mr. Ashutosh Dhar	Member	2	2
Mr. Vikram Bhatia	Member	2	2

9. OPERATIONS COMMITTEE

Terms of reference of the Operations Committee are as follows:

a) To borrow loans for the operations of the Company upto the maximum limit of ₹ 1,800 crore in a financial year;

b) To authorise such persons including Directors to approach Banks/Financial Institutions 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;

c) To authorise such Officials of the Company to open bank accounts on behalf of the Company with any nationalised/ scheduled/ foreign banks and authorise any Officers with respect to signing and honoring of cheques and executing such papers and documents as maybe required from time to time and further to authorise any Officer to change the authorised signatories and/or close such bank accounts as maybe deemed fit from time to time;

d) To authorise such Officials of the Company to operate the loan accounts and the bank account of the Company as maybe deemed fit from time to time;

e) To invest the idle funds of the Company in various securities of any corporate, government securities, mutual funds and such other instruments and/or to provide corporate guarantee or securities with respect to the loans granted by the Company;

f) To avail/authorise such persons including Directors to approach Banks for the facility or merchant establishment services from time to time for efficient working of the Company;

g) To allot securities of the Company as maybe approved by the Board from time to time.

h) To appoint Debenture Trustees with respect to issue of debentures by the Company and in accordance with the applicable SEBI Regulations;

i) To issue commercial Paper within the overall limits as approved by the Board of Directors from time to time for meeting the working capital requirements of the Company with maturity of not more than one year;

j) To authorise such Officials of the Company to attend/appear before courts and other forums, tribunals, judicial, quasi-judicial authority/to declare, sign Vakalatnama, affirm and file written statements, replies, affidavits, applications, to file and exhibit the documents to lead the evidences on behalf of the Company in matters related to the Company;

k) To authorise such Officials of the Company to acquire properties on behalf of the Company on lease or otherwise as required in the ordinary course of business of the Company and/or to give premises on lease as maybe deemed fit by the Board from time to time and to sign, execute, negotiate and deliver all such documents, papers, agreements, applications, affidavits with respect to the same;

l) To authorise such Officials of the Company including Directors to execute and sign various agreements for installation of Solar Power plants for various premises/stores of the Company;

m) To determine the amount of political contribution to be given in accordance with the framework adopted by the Board of Directors of the Company;

n) To authorise any Officer of the Company to make donations to charitable and bona fide institutions, funds and trusts as maybe deemed fit from time to time;

o) To grant authority to attend and vote at the general body meetings/postal ballots either in person or through e-voting in the body corporate where the Company had invested in its securities and to appoint any proxy for the same; and

p) To do or to authorise any Officers of the Company including the Directors to do any such acts, deeds, things and matters pertaining to day-to-day operations/routine functioning of the Company or to do such acts, deeds, things and matters specifically authorised by the Board of Directors of the Company from time to time.

The Operations Committee comprises of:

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

* The Operations Committee was re-constituted w.e.f. 12th October, 2019 by inducting Mr. Elvin Machado, Executive Director as a Member of the Committee.

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:

For Financial Year	Date and Time	Venue	Special Resolutions
2018-19	Tuesday, 20th August, 2019, 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. • To issue upto 25,000,000 equity shares through Qualified Institutions Placement. • To ratify Avenue Supermarts Limited Employee Stock Option Scheme 2016 (the “ESOP Scheme”). • To ratify Employee Stock Options granted to the employees of the Subsidiary Company(ies) under Avenue Supermarts Limited Employee Stock Option Scheme 2016.
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.

Extraordinary General Meetings

No Extraordinary General Meetings of members were convened during the last three financial years.

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, no resolutions were passed by members of the Company through Postal Ballot.

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 https://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: https://www.dmartindia.com.
	The official news releases and presentations to the institutional investors or analysts, if made 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 https://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

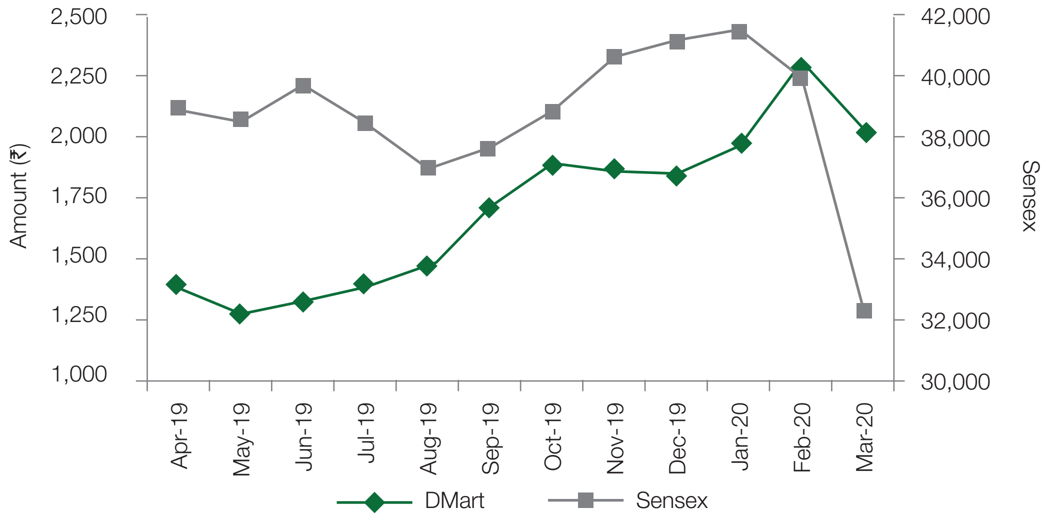
AGM date, time and venue	Tuesday, 1st September, 2020, 11.00 a.m. by way of video conferencing/ other audio visual means
Financial Year	April to March
Book Closure Date	Wednesday, 26th August, 2020 to Tuesday 1st September, 2020 (Both days inclusive).
Dividend Payment Date	NA
Registered Office	Anjaneya 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
	The 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 2020-21 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 – 400 083, 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

Market Price Data

The high and low prices and volumes of your Company's shares at BSE for the financial year 2019-20 are as under:

Month	BSE		SENSEX		No. of shares
(2019-20)	High	Low	High	Low	transacted
April 2019	1,525.00	1,276.40	39,487.45	38,460.25	981,126
May 2019	1,350.00	1,225.95	40,124.96	36,956.10	1,043,468
June 2019	1,419.00	1,284.75	40,312.07	38,870.96	505,137
July 2019	1,490.65	1,290.30	40,032.41	37,128.26	995,470
August 2019	1,578.00	1,400.00	37,807.55	36,102.35	8,486,059
September 2019	1,944.00	1,500.45	39,441.12	35,987.80	1,001,225
October 2019	2,010.80	1,803.55	40,392.22	37,415.83	699,715
November 2019	2,009.65	1,755.60	41,163.79	40,014.23	756,610
December 2019	1,999.00	1,701.00	41,809.96	40,135.37	761,719
January 2020	2,144.50	1,780.00	42,273.87	40,476.55	11,427,226
February 2020	2,559.00	2,050.25	41,709.30	38,219.97	2,532,681
March 2020	2,350.00	1,735.65	39,083.17	25,638.90	570,287

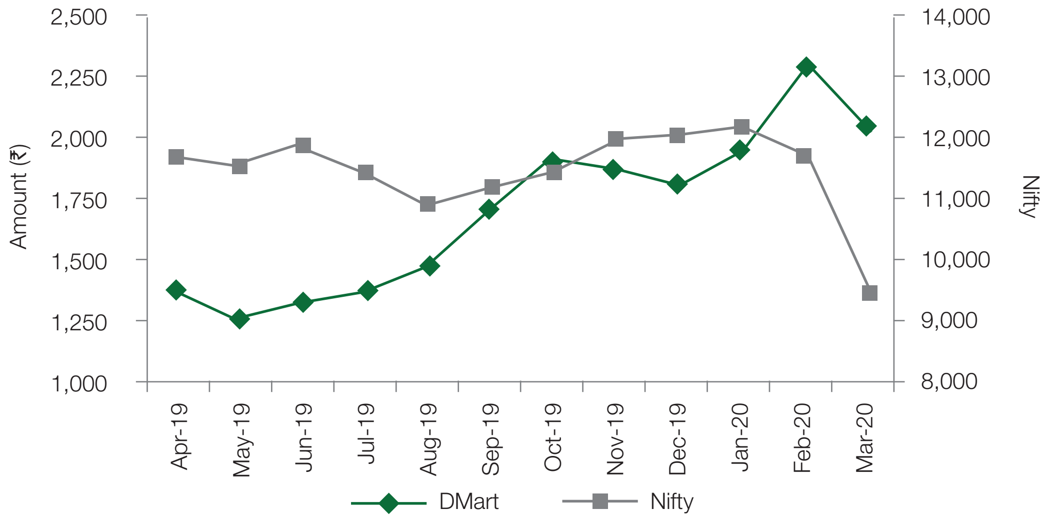
Avenue Supermarts Price Movement Chart – BSE



The high and low prices and volumes of your Company's shares at NSE for the financial year 2019-20 are as under:

Month (2019-20)	NSE High	NSE Low	NIFTY High	NIFTY Low	No. of Shares transacted
April 2019	1,529.50	1,275.00	11,856.15	11,549.10	12,135,114
May 2019	1,355.00	1,226.00	12,041.15	11,108.30	11,478,923
June 2019	1,420.00	1,280.00	12,103.05	11,625.10	6,530,939
July 2019	1,490.00	1,286.30	11,981.75	10,999.40	11,300,013
August 2019	1,578.80	1,405.25	11,181.45	10,637.15	12,758,422
September 2019	1,945.05	1,501.00	11,694.85	10,670.25	11,005,084
October 2019	2,010.00	1,801.60	11,945.00	11,090.15	8,202,346
November 2019	2,010.00	1,756.00	12,158.80	11,802.65	7,888,043
December 2019	1,961.00	1,700.00	12,293.90	11,832.30	10,892,372
January 2020	2,145.05	1,780.00	12,430.50	11,929.60	16,148,905
February 2020	2,560.00	2,046.45	12,246.70	11,175.05	33,225,007
March 2020	2,340.00	1,729.30	11,433.00	7,511.10	12,876,304

Avenue Supermarts Price Movement Chart – NSE



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) in 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, e-mail 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, e-mail 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, 2020

Category of Shareholders	No. of shares	% of Total Shares
A. PROMOTERS	485,747,156	74.99
B. PUBLIC SHAREHOLDING		
Mutual Funds	36,808,302	5.68
Banks/Financial Institutions	110,320	0.02
Insurance Companies	3,156,460	0.49
Foreign Institutional Investors/Foreign Portfolio Investor	62,323,097	9.62
Alternate Investment Funds	2,426,070	0.37
Individuals	53,084,882	8.20
NBFCs	10,336	0.00
Trust	5,501	0.00
Hindu Undivided Family	700,150	0.11
Non-Resident Indians	674,768	0.10
Foreign Portfolio Investor (Individual)	102	0.00
Clearing Member	434,966	0.07
Bodies Corporate	2,292,581	0.35
Total (A+B)	**647,774,691**	**100.00**

Distribution of Shareholding

Distribution of shareholding of shares of your Company as on 31st March, 2020 is as follows:

No. of Equity Shares Held	No. of Shareholders	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
1-500	261,543	97.73	10,372,158	1.60
501-1000	2,536	0.95	1,829,625	0.28
1001-2000	1,266	0.47	1,799,455	0.28
2001-3000	416	0.16	1,032,719	0.16
3001-4000	245	0.09	863,070	0.13
4001-5000	207	0.08	953,358	0.15
5001-10000	420	0.16	3,173,793	0.49
10001 and above	982	0.37	627,750,513	96.91
Total	**267,615**	**100.00**	**647,774,691**	**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 98% of the Company's Share Capital are dematerialised as on 31st March, 2020.

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, 2020	Shares	% of Total Issued Capital
No. of Shares held in dematerialised form in CDSL	496,309,893	76.62
No. of Shares held in dematerialised form in NSDL	138,511,392	21.38
No. of Physical Shares	12,953,406	2.00
Total	**647,774,691**	**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,
E-mail: 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.

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 behaviour, 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 2019-20, the Company had received 8 (eight) complaints from employees pursuant to Whistle Blower/Vigil Mechanism Policy, out of which one complaint was pending to be disposed off as on 31st March, 2020.

D. Policy for determining 'material' subsidiaries

The Company has formulated a policy for determining material subsidiaries in terms of the Listing Regulations. This Policy has been posted on the website of the Company at the web link: https://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. This Policy has been posted on the website of the Company at the Web link: https://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 from time to time. The said Code is available on the website of the Company at the Web link: https://www.dmartindia.com/investor-relationship.

G. Disclosure in relation to Sexual Harassment 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, 2020 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, 2020 is given in the Directors' Report.

I. Details of utilization of funds raised through Qualified Institutions Placement

The details of utlilization of funds raised through Qualified Institutional Placement as on 31st March, 2020 is given in the Directors' report.

J. 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.

K. Total fees paid by the Company and its subsidiaries, on a consolidated basis to S R B C & Co. LLP, Statutory Auditors and all entities in its network firm/network entity, during the Financial Year 2019-20.

(₹ in crore)

Particulars	Amount (including GST)
Audit fees	0.73
Other services/certifications*	1.38
Reimbursement of expenses	0.04
Total**	**2.15**

* 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 following discretionary requirements as provided under Regulation 27 (1) read with Part E of the Schedule II of the Listing Regulations:

Modified opinion(s) in audit report: The Statutory Auditors have issued an unmodified audit opinion on the financial statements of the Company for the year ended 31st March, 2020.

Reporting of Internal Auditor: The Internal Auditor directly reports to the Audit Committee for functional matters and presents the internal audit report to the Audit Committee every quarter.

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, 2020.

For **Avenue Supermarts Limited**

Ignatius Navil Noronha
Managing Director & CEO
DIN: 01787989

Date: 23rd May, 2020
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, 2020 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 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
COP No.: 3030

Place: Mumbai
Date: 27th May, 2020
UDIN: F005171B000289620

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, 2020 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 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: 23rd May, 2020

For **Avenue Supermarts Limited**

Niladri Deb
Chief Financial Officer

Place: Thane
Date: 23rd May, 2020

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 31st March, 2020, 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
COP No.: 3030

Place: Mumbai
Date: 23rd May, 2020
UDIN: F005171B000272911

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

   Corporate Office Address: B–72/72A, Wagle Industrial Estate, Road No. 33, Kamgar Hospital Road, Thane – 400 604.

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

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

6. **Financial Year Reported:** Financial year 2019-20

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, 2020, the Company carries out its business operations through 214 stores located across 11 states and 1 Union Territory.

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid Up Capital (INR):** ₹ 647.77 crore

2. **Total Turnover (INR):** ₹ 24,675 crore

3. **Total Profit after Taxes (INR):** ₹ 1,350 crore

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%):** ₹ 17.86 crore, 1.57% 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 E-Commerce Limited
   3. Avenue Food Plaza Private Limited
   4. Nahar Seth & Jogani Developers Private 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 / 022-71230500
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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	If yes, has it been signed by the MD/ Owner/ CEO/ appropriate Board Director?	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: https://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: https://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 e-mail 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	N.A.								
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 recognise 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 organisation 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 2019-20)	% of complaints resolved (FY 2019-20)
23	79	25%

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

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, labelling 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 214 stores spread across 11 states and 1 union territory. We strive to optimise 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 water 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?

   We encourage our customers to carry their own reusable carry bags so we can reduce the usage of plastic carry bags.

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 centres in vicinity of our store locations, wherever feasible. This minimises 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. The Company has installed sewage treatment plants at stores wherever possible to use recycled water and thereby reduce load on the municipal bodies for fresh water supply.

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate the total number of employees.**

   Total number of permanent employees is 9,456.

2. **Please indicate the total number of employees hired on temporary/ contractual/casual basis.**

   The total number of employees hired on contractual basis is 38,952.

3. **Please indicate the number of permanent women employees.**

   Total number of permanent women employees is 2,108.

4. **Please indicate the number of permanent employees with disability.**

   Total number of permanent employees with disability is 15.

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 no. of complaints received during the financial year 2019-20 are as follows:

Category	No. of complaints received during financial year	No. of complaints pending at the end of the financial year
Child Labour/ Forced Labour/ Involuntary Labour	0	0
*Sexual Harassment	1	0
Discriminatory employment	0	0

* The Company conducted several training sessions for all its employees to create awareness about Prevention of Sexual Harassment during the Financial Year.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
The Company organises several training programmes 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 2019-20 are as follows:

Employee category	% of employees that were given safety training	% of employees that were given skill up-gradation training
Permanent employees	74%	87%
Permanent women employees	80%	104%
Casual/ Temporary/ Contractual Employees	80%	85%
Permanent employees with disability	67%	96%

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

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 & marginalised stakeholders?**
Yes.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable, and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**
ASL wants to make a real difference to the under privileged by strengthening schools, impacting primary education and

inspiring lives through its CSR initiatives, which includes;

- Providing basic infrastructure for education
- Computer education and learning
- Promoting Sports through various Sports Programmes, availability of playground & sports fixtures and sports material
- Pedagogy and activity based learnings
- Quality staff for teaching
- English Language Programme
- Library Programme
- Scientific Learning through Science Labs
- Skill Development and Livelihood Training Programmes

Through these initiatives, the Company has positively impacted more than 1,00,000 students through holistic interventions in primary education

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 2019-20, 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 minimising its fresh water requirements through initiatives such as rain water harvesting. In addition, the Company has installed 63 Sewage Treatment Plants across its premises to use the same for flushing. This also helps to reduce the usage of fresh water.
   - **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, 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 encourage use of AAC blocks in place of conventional building materials which are sourced from local manufacturers.
   - **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 roof tops at several of our existing and new projects. 79 stores have solar panels installed on their roof tops and 1 Carport (Solar Panels above Car Parking) is installed with a total commissioned capacity of 7.0 MW. This initiative has partly 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 2019-20.

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 under privileged sections of the society. The focus of our CSR programme is primary education which includes working with different local, municipal schools to improve education standards through various pedagogical interventions like Computer Education, Library Programme, English & Vernacular Language proficiency Programmes, Scientific Learning through Science Labs, Promoting Sports through various Sports Programmes and availability of playground & sports fixtures and sports material.

   Through 'Skill Building Programme' the Company aims to bring local unemployed youth in the economic mainstream through self-employment and salaried jobs. In 2019-20, 150 students were enrolled out of which 110 have completed trainings in Nursing Assistance, Beautician, Apparel making, Computer and Dance.

   During the year 2019-20, we commenced promotion of sports with structured interventions in existing schools.

2. **Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?**
   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 ₹ 17.86 crore during the financial year 2019-20 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.

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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 76 ongoing consumer complaints as on 31st March, 2020.

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 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 we 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 behaviour 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 one of the key objectives of our business operations. 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
   - Feedback section of our corporate website
   - Central customer care help line number
   - Electronic mail

Independent Auditor's Report

To the Members of
Avenue Supermarts Limited

Report on the Audit of the 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, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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, 2020, 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 judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone 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 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.

Key audit matters	How our audit addressed the key audit matter
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)	
The Company has an investment amounting to ₹ 252.76 crore as at March 31, 2020 in its subsidiary Avenue E-Commerce Limited. This subsidiary commenced business four 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 as at March 31, 2020 after taking into consideration the potential impact of COVID 19. We determined this area as a key audit matter because of the judgmental factors involved in testing for impairment and the significant carrying value of the investment.	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 shares. 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 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 Ind AS financial statements of the subsidiary to determine the net worth, cash flows and other financial indicators; • We also assessed the Company's disclosures concerning this in Note 1.f on significant accounting estimates and judgements and Note 6 of Investment in Subsidiaries to the standalone Ind AS financial statements.
Allowance for inventory shrinkages (as described in note 1.j and 1.w of the standalone Ind AS financial statements)	
As at March 31, 2020, the carrying amount of inventories amounted to ₹ 1,909.43 crore after considering allowances for Inventory shrinkages of ₹ 17.30 crore. 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 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 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. • On account of the COVID 19 imposed lockdown, the Company was unable to carry on its physical verification of inventory in the last two weeks of March 2020 as planned, however the locations scheduled for the physical verification in the last two weeks had been verified during the year as planned and accordingly the shrinkage rates have been used for these locations as per the last count. • We assessed the Company's disclosures concerning this in Note 1.j and 1.r on significant accounting estimates and judgements and Note 9 Inventories to the standalone Ind AS 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 the 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 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the 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 standalone 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 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, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

   (b) In our opinion, proper 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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;

   (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, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

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

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

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

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

per Vijay Maniar
Partner
Membership No.: 36738
UDIN: 20036738AAAACF6511

Mumbai; May 23, 2020

Annexure 1

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

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

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified 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 345.35 crore as at March 31, 2020 mutation of land is in progress.

(₹ in Crores)

Total number of cases	Asset category	Gross Block as on March 31, 2020	Net Block as on March 31, 2020
24	Freehold land	345.35	345.35

(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	0.18	2014-2015	Joint Commercial Tax Commissioner
Maharashtra Value Added Tax Act, 2002	Value added tax	0.19	2011-2012	Joint Commercial Tax Commissioner
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

Name of the Statute	Nature of Dues	Unpaid amount involved (₹ in crore) *	Period to which the amount relates	Forum where dispute is pending
Madhya Pradesh Value Added Tax Act, 2002	Value added tax	0.14	2016-2017	Deputy Commissioner of Commercial Tax
Madhya Pradesh Value Added Tax Act, 2002	Entry tax	0.03	2016-2017	Deputy Commissioner of Commercial Tax
Income Tax Act, 1961	Late Deduction of TDS	3.12	2019-2020	Commissioner of Income Tax Appeal
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 ₹ 0.57 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 explanation 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.

(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 by the management the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of shares during the year. According to the information and explanations given by the management, we report that the amount raised, have been used for the purposes for which the funds were raised except for idle funds amounting to ₹ 3,068.00 crore which were not required for immediate utilization and which have been invested in deposits with scheduled commercial banks. The maximum amount of idle funds invested during the year was ₹ 4,098.00 crore, of which ₹ 3,068.00 crore was outstanding at the end of the year.

(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 No.: 36738
UDIN: 20036738AAAACF6511

Mumbai; May 23, 2020

Annexure 2

to the Independent Auditor's Report of Even Date on The Standalone Ind As Financial Statements of Avenue Supermarts Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Avenue Supermarts Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS 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 Ind AS 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 Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Vijay Maniar
Partner
Membership No.: 36738
UDIN: 20036738AAAACF6511

Mumbai; May 23, 2020

Standalone Balance Sheet

as at 31st March, 2020

(₹ in Crores)

	Notes	As at 31st March, 2020	As at 31st March, 2019
Assets			
Non-current assets			
(a) Property, plant and equipment	2	5,060.70	4,205.86
(b) Capital work-in-progress	2	361.94	376.55
(c) Right to use assets	3	646.99	-
(d) Investment properties	4	16.53	18.10
(e) Intangible assets	5	11.19	10.27
(f) Financial assets			
(i) Investments in subsidiaries	6	287.30	212.00
(ii) Other non-current financial assets	7	3,125.99	36.03
(g) Income tax assets (net)		7.68	0.03
(h) Other non-current assets	8	273.54	109.68
Total non-current assets		**9,791.86**	**4,968.52**
Current assets			
(a) Inventories	9	1,909.43	1,576.22
(b) Financial assets			
(i) Trade receivables	10	48.53	75.52
(ii) Cash and cash equivalents	11	91.46	120.23
(iii) Bank balances other than cash and cash equivalents	12	0.78	93.32
(iv) Other current financial assets	13	109.80	59.18
(c) Other current assets	14	132.27	104.58
Total current assets		**2,292.27**	**2,029.05**
Total assets		**12,084.13**	**6,997.57**
Equity and liabilities			
Equity			
a) Equity share capital	15	647.77	624.08
b) Other equity	16	10,487.75	4,970.40
Total equity		**11,135.52**	**5,594.48**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	-	125.67
(ii) Lease liability		178.13	-
(iii) Other non-current financial liabilities	18	0.47	0.78
(b) Deferred tax liabilities (net)	19	48.20	64.07
Total non-current liabilities		**226.80**	**190.52**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	3.73	299.15
(ii) Lease liability		64.29	-
(iii) Trade payables due to -	21		
Micro and small enterprises		17.24	5.44
Other than micro and small enterprises		428.73	452.84
(iv) Other current financial liabilities	22	174.50	393.82
(b) Current tax liabilities (Net)		0.44	26.72
(c) Other current liabilities	23	18.55	21.93
(d) Provisions	24	14.33	12.67
Total current liabilities		**721.81**	**1,212.57**
Total equity and liabilities		**12,084.13**	**6,997.57**
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these standalone 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

Mumbai, 23rd May, 2020

Thane, 23rd May, 2020

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Statement of Standalone Profit and Loss

for the year ended 31st March, 2020

(₹ in Crores)

	Notes	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Income			
Revenue from operations	25	24,675.01	19,916.25
Other income	26	63.33	51.41
Total income		**24,738.34**	**19,967.66**
Expenses			
Purchase of stock-in-trade		21,349.14	17,409.12
Changes in inventories of stock-in-trade	27	(333.21)	(429.18)
Employee benefits expense	28	424.74	335.03
Finance costs	29	62.76	47.15
Depreciation and amortisation expense	30	339.81	198.80
Other expenses	31	1,112.21	959.10
Total expenses		**22,955.45**	**18,520.02**
Profit before tax		1,782.89	1,447.64
Tax expense			
Current tax	32	448.84	501.21
Deferred tax charge/(credit)		(15.87)	17.77
Adjustment of tax related to earlier years		0.03	(7.69)
Total tax expenses		**433.00**	**511.29**
Net profit after tax		1,349.89	936.35
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements gains/(loss) on defined benefit plans	45	(5.07)	(1.95)
Less: Income tax effect		1.28	0.68
Net other comprehensive income not to be reclassified to profit or loss in subsequent year		(3.79)	(1.27)
Total comprehensive income for the year		**1,346.10**	**935.08**
Earnings per equity share of ₹ 10 each: (in ₹)	41		
Basic		21.49	15.00
Diluted		21.33	14.79
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these standalone 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

Mumbai, 23rd May, 2020

Thane, 23rd May, 2020

Statement of Standalone Cash Flows

for the year ended 31st March, 2020

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash flow from operating activities:		
Profit before tax	1,782.89	1,447.64
Adjustments for:		
Depreciation and amortization expense	339.81	198.80
Finance cost	62.76	47.15
Interest income	(32.86)	(25.84)
Profit on sale of investments	(8.93)	(10.08)
Expense on employee stock option scheme	8.27	16.61
Rent income	(7.63)	(5.72)
(Gain)/ loss on disposal of property, plant and equipment (net)	(2.45)	(1.01)
	358.97	**219.91**
Operating profit before working capital changes	**2,141.86**	**1,667.55**
Adjustments for:		
Increase/(decrease) in trade payables	(12.31)	142.41
Decrease in provisions	(3.41)	(1.13)
Increase/(decrease) in other current financial liabilities	23.27	(25.76)
Increase/(decrease) in other current liabilities	(3.38)	10.67
Decrease in other non-current financial liabilities	(0.31)	-
(Increase)/decrease in trade receivables	26.99	(42.16)
Increase in inventories	(333.21)	(429.18)
Decrease in current investments	-	51.71
(Increase)/decrease in other non-current assets	4.77	(20.44)
(Increase)/decrease in other non-current financial assets	(17.25)	11.95
Increase in bank balances other than cash and cash equivalents	(0.04)	(0.05)
Increase in other current assets	(38.19)	(25.11)
(Increase)/decrease in other current financial assets	(19.88)	5.81
	(372.95)	**(321.28)**
Cash flow from operating activities	1,768.91	1,346.27
Direct taxes paid (net of refunds)	(481.52)	(493.49)
Net cash flow from operating activities	**1,287.39**	**852.78**
Cash flow from investing activities:		
Proceeds from disposal of property, plant and equipment	5.51	8.05
Realisation from FDs of IPO proceeds	92.58	399.14
Realisation from FDs of QIP proceeds	129.00	-
Interest received	12.23	39.22
Gain on sale of investments	8.93	10.08
Rent income received	7.53	5.27
	255.78	**461.76**
Purchase of property, plant and equipment / intangible assets / investment properties	(1,683.06)	(1,376.88)
QIP proceeds deposited in FDs	(3,197.00)	-
Investment in subsidiaries	(75.30)	(82.50)
	(4,955.36)	**(1,459.38)**
Net cash flow used in investing activities	**(4,699.58)**	**(997.62)**
Cash flow from financing activities:		
Proceeds from issue of QIP (net of expenses)	4,076.51	-
Proceeds from exercise of share options	110.34	-
Proceeds from long term borrowings	50.00	150.00
Proceeds from short term borrowings	251.03	50.00
Proceeds of commercial papers	789.46	786.52
Proceeds from non convertible debentures	300.00	-
	5,577.34	**986.52**

Statement of Standalone Cash Flows

for the year ended 31st March, 2020

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Repayment of long term borrowings	(200.00)	(16.00)
Repayment of short term borrowings	(300.00)	(4.55)
Repayment of commercial papers	(1,034.99)	(540.99)
Repayment of non convertible debentures	(512.00)	(170.00)
Payment of lease liability	(78.89)	-
Interest paid	(67.93)	(54.04)
	(2,193.81)	**(785.58)**
Cash flow from financing activities	**3,383.53**	**200.94**
Net increase/(decrease) in cash and cash equivalent	(28.66)	56.10
Cash and cash equivalents at beginning of the year (including bank overdraft balances)	120.11	64.01
Cash and cash equivalents at end of the year	91.45	120.11
Cash and cash equivalents as per above comprises of the following		
Cash and cash equivalents (Refer Note: 11)	91.46	120.23
Bank overdrawn (Refer Note: 22)	(0.01)	(0.12)
Balance as per statement of cash flows	91.45	120.11

The accompanying notes are an integral part of these standalone financial statements

Notes:

i) Reconciliation of borrowings

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening Balance		
Non- current borrowings (including current maturity)	396.00	432.00
Current borrowings	299.15	7.25
Net movement of borrowings		
Cash Flow		
Non- current borrowings (including current maturity)	(362.00)	(36.00)
Current borrowings	(295.42)	290.98
Closing Balance		
Non- current borrowings (including current maturity)	34.00	396.00
Current borrowings	3.73	299.15

(ii) 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 nuw mber 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

Mumbai, 23rd May, 2020

Thane, 23rd May, 2020

Statement of Changes in Equity

for the year ended 31st March, 2020

A. Equity share capital

	Notes	No. of Shares	₹ in Crores
Equity Share of ₹ 10 each issued, subscribed and fully paid	16		
At 1st April, 2018		624,084,486	624.08
Issue of Share Capital		-	-
At 31st March, 2019		624,084,486	624.08
Issue of Share Capital		23,690,205	23.69
At 31st March, 2020		**647,774,691**	**647.77**

B. Other equity

(₹ in Crores)

	Notes	Other equity				Total
		Securities premium	Share options outstanding account	Debenture redemption reserve	Retained earnings	
Balance as at 1st April, 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 to 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**
Profit for the year		-	-	-	1,349.89	1,349.89
Other comprehensive income for the year		-	-	-	(3.79)	(3.79)
Exercise of share options		21.64	(21.64)	-	-	-
Issue of share capital	16	4,184.65	-	-	-	4,184.65
Share option expense	44	-	8.09	-	-	8.09
Transaction cost of QIP		(21.49)	-	-	-	(21.49)
'Transferred from share options outstanding account on lapse of vested options		-	0.01	-	(0.01)	-
Transfer from debenture redemption reserve		-	-	(51.15)	51.15	-
Balance as at 31st March, 2020		**5,994.57**	**25.82**	**8.50**	**4,458.86**	**10,487.75**

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

Mumbai, 23rd May, 2020

Thane, 23rd May, 2020

Notes

to the Standalone Financial Statements for the year ended 31st March, 2020

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, Maharashtra India 400076. The company 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 standalone financial statements have been recommended for approval by the audit committee and is approved and adopted by the Board in their meeting held on 23rd May, 2020.

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 standalone financial statements.

(i) Historical cost convention

The standalone 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

Investments in subsidiaries 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 & equipment recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as deemed cost of property, plant & 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

Notes

to the Standalone Financial Statements for the year ended 31st March, 2020

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 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 company 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 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 recognized 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 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 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 recognized 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, 2020

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

As per Ind AS 116 "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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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, 2020

Amortisation on Right to use assets

Amortisation is provided on straight line method over the useful life of asset as assessed by the management. Amortisation is charged on pro-rata basis for asset purchaased/sold during the year

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 standalone 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 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.

(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 Profit and Loss are expensed in the Statement of Profit and Loss.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2020

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 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 Statement of Profit and 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 recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. 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.

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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, 2020

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.

Financial liabilities

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

D-Mart

Notes

to the Standalone Financial Statements for the year ended 31st March, 2020

(v) *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.

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 recognize a contingent asset unless the recovery is virtually certain.

(l) *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.

(m) 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

Notes

to the Standalone Financial Statements for the year ended 31st March, 2020

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 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.

(n) 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 standalone 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.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2020

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.

(o) 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 reporting 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 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

(p) 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.

(q) Fair value measurement

The company measures financial instrument at fair value at each Balance sheet date.

Fair value is the price that would received to sell an assets or paid to transfer a liability in an orderly transaction between market participant at the measurment date.

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.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2020

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.

(r) Significant accounting judgement, estimates and assumption

The preparation of standalone 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.

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 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 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 no. 45.

(s) 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.

(t) 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, 2020

2 Property, plant and equipment

(₹ in Crores)

	Freehold land (Refer note: 2,7)	Leasehold land	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, 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**
Additions	641.79	-	595.68	10.78	79.65	19.84	63.43	0.82	7.88	57.04	1,476.91
Reclassification	-	(385.29)	0.70	-	-	-	-	-	-	-	(384.59)
Disposals	1.32	-	0.09	-	1.50	1.79	2.30	0.26	0.51	0.20	7.97
Balance as at 31st March, 2020	**2,258.31**	**-**	**2,696.50**	**56.95**	**252.27**	**81.28**	**262.06**	**3.57**	**34.12**	**206.97**	**5,852.03**
Depreciation											
Balance as at 1st April, 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**
Charge for the year	-	-	111.87	20.46	31.83	17.22	36.60	0.65	6.02	26.31	250.96
Reclassification	-	(16.69)	0.15	-	-	-	-	-	-	-	(16.54)
Disposals	-	-	0.04	-	1.04	1.52	1.51	0.22	0.47	0.11	4.91
Balance as at 31st March, 2020	**-**	**-**	**374.05**	**30.46**	**91.16**	**57.23**	**117.47**	**1.82**	**21.82**	**97.32**	**791.33**
Net book value											
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**
Balance as at 31st March, 2020	**2,258.31**	**-**	**2,322.45**	**26.49**	**161.11**	**24.05**	**144.59**	**1.75**	**12.30**	**109.65**	**5,060.70**

Notes
to the Standalone Financial Statements as at 31st March, 2020

Note:

1 Building includes following amount for construction under built operate and transfer (BOT) arrangement.

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gross block	40.98	40.98
Net block	32.71	34.70

2 Freehold land includes ₹ 345.35 Crores (31st March, 2019: ₹ 133.75 Crores) being property purchased, for which mutation is pending.

3 Details of Capital work in progress -

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	376.55	147.05
Addition during the year	726.69	643.30
Transfer/Adjustment during the year	(741.30)	(413.80)
Closing Balance	361.94	376.55

4 Building and CWIP includes interest capitalised on borrowings for the FY 2019-20 of ₹ 16.97 Crores (FY 2018-19: ₹ 3.10 Crores)

5 Assets pledged as security for borrowings is disclosed under note 34.

6 Building includes Net book value of plant and equipment fitting of ₹ 34.79 Crores (31st March, 2019: ₹ 43.98 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.

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Notes

to the Standalone Financial Statements as at 31st March, 2020

3 Right to use assets

(₹ in Crores)

	Land (Refer note: 1)	Buildings	Total
Cost			
Balance as at 1st April,2019	-	217.96	217.96
Reclassification (Refer note: 2)	385.29	-	385.29
Additions	70.56	74.67	145.23
Balance as at 31st March, 2020	**455.85**	**292.63**	**748.48**
Amortisation			
Balance as at 1st April,2019	-	-	-
Reclassification (Refer note: 2)	16.69	-	16.69
Charge for the year	5.55	79.25	84.80
Balance as at 31st March, 2020	**22.24**	**79.25**	**101.49**
Net book value			
Balance as at 1st April, 2019	**-**	**217.96**	**217.96**
Balance as at 31st March, 2020	**433.61**	**213.38**	**646.99**

Note:

1 Right to use land includes following amounts paid as premium under built operate and transfer (BOT) arrangement

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gross block	13.83	13.83
Net block	13.07	13.23

2 Effective 1st April, 2019, the company has adopted Ind AS 116 "Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. 1st April, 2019. The company has used the modified retrospective approach for transitioning to Ind AS 116 with right of use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted.

At the commencement date of a lease, the company has recognised 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). The company has separately recognised the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The company shall 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 company will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

The operating leases recorded on the balance sheet following implementation of Ind AS 116 are principally in respect of leasehold land and other identified assets representing right to use as per contracts excluding low value assets and short term leases of 12 months or less.

Leases previously accounted for as operating leases

The company recognised right of use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right of use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right of use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Notes

to the Standalone Financial Statements as at 31st March, 2020

The company has also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Lease liabilities

(₹ in Crores)

Particulars	Amount
As at 1st April, 2019	217.96
Recognised during the year	103.35
Repaid during the year	(78.89)
As at 31st March, 2020	**242.42**
Non current	178.13
Current	64.29

The company has adopted modified retrospective approach as per para C8 (c)(ii) of IND AS 116 - Leases to its leases, effective from annual reporting period beginning 1st April, 2019. This has resulted in recognizing a right of use assets (an amount equal to the lease liability, adjusted by the prepaid lease rent) of ₹ 217.96 Crores and an amount of ₹ 368.60 Crores on account of reclassification of Leasehold Land as at 1st April, 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. To this extent performance for year ended 31st March, 2020 is not comparable with previous year audited standalone financial statements.

The following are the amounts recognised in statement of profit and loss:

(₹ in Crores)

Particulars	Amount
Amortisation expense of right-of-use assets	84.80
Interest expense on lease liabilities	22.80
Expense relating to short-term leases (included in other expenses)	1.03
Total	**108.63**

The company had total cash outflows for leases of ₹ 78.89 crores in 31st March, 2020 (₹ NIL in 31st March, 2019). The company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 90.98 crores in 31st March, 2020.

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Notes

to the Standalone Financial Statements as at 31st March, 2020

4 Investment properties

(₹ in Crores)

		As at 31st March, 2020	As at 31st March, 2019
Cost			
	Opening balance	21.64	18.24
	Additions	-	-
	Reclassification	(0.70)	3.40
	Closing balance	**20.94**	**21.64**
Depreciation			
	Opening balance	(3.54)	(1.91)
	Charge for the year	(1.02)	(1.15)
	Reclassification	0.15	(0.48)
	Closing balance	**(4.41)**	**(3.54)**
	Net book value	**16.53**	**18.10**
	Information regarding income and expenditure of investment properties:		
(i)	Amounts recognised in profit or loss for investment properties		
	Rental income including contingent rent of ₹ NIL (Previous year ₹ 0.03 Crores)	4.21	2.65
	Direct operating expenses from property that generated rental income	0.66	0.60
	Direct operating expenses from property that did not generate rental income	-	0.06
	Income from investment properties before depreciation	**3.55**	**1.99**
	Depreciation	1.02	1.15
	Income from investment properties	**2.53**	**0.84**
(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
	Later than one year but not later than 5 years	-	-
	Later than 5 years	-	-
		-	**1.40**
(iii)	Fair value		
	Investment properties	141.45	138.29

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 categorized in level 2 fair value hierarchy.

Notes

to the Standalone Financial Statements as at 31st March, 2020

5 Intangible assets

(₹ in Crores)

	Computer software	Trademarks	Total
Cost			
Balance as at 1st April, 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**
Additions	4.48	-	4.48
Disposals	0.04	-	0.04
Balance as at 31st March, 2020	**22.91**	**0.02**	**22.93**
Amortisation			
Balance as at 1st April, 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**
Charge for the year	3.56	-	3.56
Disposals	0.04	-	0.04
Balance as at 31st March, 2020	**11.73**	**0.01**	**11.74**
Net book value			
Balance as at 31st March, 2019	**10.26**	**0.01**	**10.27**
Balance as at 31st March, 2020	**11.18**	**0.01**	**11.19**

6 Investments in subsidiaries

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
A. Investment in subsidiaries		
Unquoted equity shares		
i. Equity instruments at cost		
3,799,999 (31st March, 2019: 3,799,999) shares of Align Retail Trades Private Limited (equity shares of ₹ 10 each)	34.34	34.34
10,000 (31st March, 2019: 10,000) shares of Avenue Food Plaza Private Limited (equity shares of ₹ 10 each)	0.01	0.01
90,000 (31st March, 2019: 90,000) shares of Nahar Seth & Jogani Developers Private Limited (equity shares of ₹ 10 each)	0.09	0.09
100,000 (31st March, 2019: 100,000) shares of Reflect Wholesale and Retail Private Limited (equity shares of ₹ 10 each)	0.10	0.10
216,487,285 (31st March, 2019: 159,087,291) shares of Avenue E-commerce Limited (equity shares of ₹ 10 each)	252.76	177.46
Total	**287.30**	**212.00**
Aggregate amount of unquoted investments	287.30	212.00
Aggregate amount of impairment in the value of investment	-	-
Non-current	287.30	212.00

Notes

to the Standalone Financial Statements as at 31st March, 2020

7 Other non-current financial assets

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Rent deposits given		
- Related parties (Refer note: 33)	8.25	7.53
- Others	20.75	6.08
Other deposits	27.71	21.28
Margin money deposits with banks (held as lien by bank against bank guarantees)	0.87	0.97
Long term deposits with banks with maturity period more than 12 months (Provided as security for various regulatory registrations)	0.41	0.17
Long term deposits with banks with maturity period more than 12 months	3,068.00	-
Total	**3,125.99**	**36.03**

The above non-current financial assets are carried at amortised cost.

8 Other non-current assets

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Capital advances	272.69	89.24
Prepaid Expenses	0.85	20.44
Total	**273.54**	**109.68**

9 Inventories

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Stock-in-trade (at lower of cost and net relisable value)	1,909.43	1,576.22
Total	**1,909.43**	**1,576.22**

10 Trade receivables

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Considered good		
Unsecured		
Related parties (Refer Note: 33)	29.00	11.19
Other than related parties	19.53	64.33
Total	**48.53**	**75.52**

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 Standalone Financial Statements as at 31st March, 2020

11 Cash and cash equivalents

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks - In current accounts	48.73	59.32
Cash on hand	42.73	60.91
Total	**91.46**	**120.23**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Total cash and cash equivalents	91.46	120.23
Less: Overdrawn bank balances (Refer Note: 22)	(0.01)	(0.12)
Cash and cash Equivalents for cash flow purpose	**91.45**	**120.11**

12 Bank balances other than cash and cash equivalents

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Margin money deposits with bank (held as lien by bank against guarantees)	0.78	0.74
IPO proceeds pending utilisation (Refer Note: 15)		
- Current accounts (escrow)	-	7.58
- Fixed deposits	-	85.00
Total	**0.78**	**93.32**

13 Other current financial assets

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Rent deposits given		
- Others	13.09	2.98
Advances recoverable in cash or in kind or in value to be received		
- Related parties (Refer Note: 33)*	0.99	0.73
- others	70.51	51.24
Interest receivable		
- other deposits	23.45	2.82
Advances to employees	1.76	1.41
Total	**109.80**	**59.18**
The above current financial assets are carried at amortised cost.		
* Maximum amount outstanding during the year	1.00	0.73

Notes

to the Standalone Financial Statements as at 31st March, 2020

14 Other current assets

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Prepaid expenses	5.51	6.61
Advances to suppliers	85.66	82.98
Balance with government authorities	35.47	8.18
Fund in gratuity trust (Refer Note:45)	0.42	-
Others	5.21	6.81
Total	**132.27**	**104.58**

15 Equity share capital

(₹ in Crores)

		As at 31st March, 2020	As at 31st March, 2019
A.	**Authorised**		
	750,000,000 [31st March, 2019: 750,000,000] equity Shares of ₹ 10 each	750.00	750.00
	Issued, subscribed and fully paid up		
	647,774,691 [31st March, 2019: 624,084,486] equity Shares of ₹ 10 each	647.77	624.08
		647.77	**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	23,690,205	-
	Amount in ₹ Crores	23.69	-
	Balance at the end of the year		
	No. of shares	647,774,691	624,084,486
	Amount in ₹ Crores	647.77	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. 21th March, 2017.

Utilisation of IPO proceeds are as follows:-

(₹ in Crores)

Particulars	Planned as per Prospectus	Utilisation upto 31st March, 2020
Towards repayment / payment of NCDs / term loans	1,080.00	1,080.00
Construction and purchase of fit outs for new stores	366.60	366.60
Towards general corporate purpose (including transaction cost of IPO)	423.40	423.40
Total	**1,870.00**	**1,870.00**

Notes
to the Standalone Financial Statements as at 31st March, 2020

Expenses incurred by the company aggregating to ₹ 29.38 Crores, in connection with IPO have been adjusted towards securities premium in March 2017.

The company through Qualified Institutional Placement (QIP) allotted 20,000,000 equity shares to the eligible Qualified Institutional Buyers (QIB) at a issue price of ₹ 2,049 per equity share (including a premium of ₹ 2,039 per equity share) aggregating to ₹ 4,098 crore on 11th February, 2020. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the "SEBI ICDR Regulations"), and Sections 42 and 62 of the Companies Act, 2013, as amended, including the rules made thereunder (the "Issue"). Funds received pursuant to QIP are being utilised towards the object stated in the placement document and the balance unutilised as on 31st March, 2020 remain invested in deposits with scheduled commercial banks.

Expenses incurred by the company aggregating to ₹ 21.49 Crores, in connection with QIP have been adjusted towards securities premium in March 2020.

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 44.

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the company

	As at 31st March, 2020	As at 31st March, 2019
Mr. Radhakishan S. Damani	222,159,156	239,689,156
- % holding of shares	34.30%	38.41%
Mr. Gopikishan S. Damani	49,480,000	50,980,000
- % holding of shares	7.64%	8.17%
Bright Star Investments Private Limited	88,750,000	88,750,000
- % holding of shares	13.70%	14.22%

Notes

to the Standalone Financial Statements as at 31st March, 2020

16 Other equity

(₹ in Crores)

		As at 31st March, 2020	As at 31st March, 2019
(a)	**Securities premium**		
	Opening balance	1,809.77	1,809.77
	Exercise of share options	21.64	-
	Issue of share capital	4,184.65	-
	Transaction cost of QIP	(21.49)	-
	Closing balance	**5,994.57**	**1,809.77**
(b)	**Debenture Redemption Reserve**		
	Opening balance	59.65	86.95
	Appropriations/reversal during the year	(51.15)	(27.30)
	Closing balance	**8.50**	**59.65**
(c)	**Share Options Outstanding Account**		
	Opening balance	39.36	22.67
	Share option expense	8.09	16.69
	Transferred from retained earning on lapse of vested options	0.01	-
	Exercise of share options	(21.64)	-
	Closing balance	**25.82**	**39.36**
(d)	**Retained earnings**		
	Opening balance	3,061.62	2,099.24
	Net Profit for the year	1,349.89	936.35
	Items of other comprehensive income recognised directly in retained earnings		
	- Remeasurements of post-employment benefit obligation, net of tax	(3.79)	(1.27)
	Transfer to/from debenture redemption reserve	51.15	27.30
	Transferred from share options outstanding account on lapse of vested options	(0.01)	-
	Closing balance	**4,458.86**	**3,061.62**
	Total other equity	**10,487.75**	**4,970.40**

17 Non-current borrowings

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Secured		
Term loans from banks	-	150.00
Less: Current maturities disclosed in other current financial liabilities (Refer note 22)	-	(58.33)
	-	**91.67**
Non convertible debentures	34.00	246.00
Less: Current maturities disclosed in other current financial liabilities (Refer note 22)	(34.00)	(212.00)
	-	**34.00**
Total	-	**125.67**

Nature of security and terms of repayment for borrowings:

Sr no	Nature of security	Terms of payment
1	The term loans from bank of ₹ Nil (31st March, 2019: ₹ 150.00 Crores) was secured by way of mortgage of various stores properties to the banks.	
2	Non convertible debentures (NCD) are secured by way of mortgage of specific stores properties to the Debenture Trustee.	NCD for ₹ 34 Crores is due for redemption on 20th August 2020. Rate of interest is 9.40% p.a.

Notes

to the Standalone Financial Statements as at 31st March, 2020

18 Other non-current financial liabilities

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Other non-current financial liabilities at amortised cost		
Rent deposits taken	0.47	0.78
Total	**0.47**	**0.78**

The above non-current financial liabilities are carried at amortised cost.

19 Deferred tax liabilities (net)

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Deferred tax liability on account of:		
- Depreciation	55.58	67.54
Deferred tax assets on account of:		
- Employee benefits	3.94	3.47
- Right to use assets	3.44	-
Deffered tax liabilities (net)	**48.20**	**64.07**

Movements in deferred tax liabilities and deferred tax assets

(₹ in Crores)

	Property plant and equipment	Employee benefits	Right to use assets	Total
At 1st April, 2018	**56.84**	**(10.54)**	**-**	**46.30**
Charged / (credited) to				
Profit and loss	10.70	7.07	-	17.77
Other Comprehensive income	-	-	-	-
At 31st March, 2019	**67.54**	**(3.47)**	**-**	**64.07**
Charged / (credited) to				
Profit and loss	(11.96)	(0.47)	(3.44)	(15.87)
Other comprehensive income	-	-	-	-
At 31st March, 2020	**55.58**	**(3.94)**	**(3.44)**	**48.20**

20 Current borrowings

(₹ in Crores)

		As at 31st March, 2020	As at 31st March, 2019
A.	**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)	3.73	2.70
(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
B.	**Unsecured**		
	By issue of commercial papers	-	246.45
	Total	**3.73**	**299.15**

At 31st March 2020, the company had available ₹ 876.53 Crores (31st March, 2019: ₹ 654.28 Crores) of undrawn committed borrowing facilities.

Notes

to the Standalone Financial Statements as at 31st March, 2020

21 Trade payables

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Trade payables		
Amounts payable to related parties (Refer note: 33)	29.01	14.50
Others	416.96	443.78
Total	**445.97**	**458.28**

(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	17.24	5.44

22 Other current financial liabilities

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Other financial liabilities measured at amortised cost:		
Current maturities of term loans (Refer note: 17)	-	58.33
Current maturities of debentures (Refer note: 17)	34.00	212.00
Interest accrued but not due on borrowings	1.96	12.03
Escrow deposits received*	22.04	11.27
Overdrawn bank balances	0.01	0.12
Salary and wages payable	44.01	31.51
Capital creditors	72.48	68.56
Total	**174.50**	**393.82**

* Escrow deposits represents amount received for any possible claims that may arise in future in respect of certain properties. (Refer Note: 2)

23 Other current liabilities

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Statutory dues	15.92	21.47
Other payables	1.79	0.10
Other payables - Related Party (Refer note: 33)	0.84	0.36
Total	**18.55**	**21.93**

24 Provisions

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Gratuity (Refer note:45)	-	2.01
Leave entitlement	14.33	10.66
Total	**14.33**	**12.67**

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to the Standalone Financial Statements for the year ended 31st March, 2020

25 Revenue from operations

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sale of goods	27,006.36	21,816.38
Sale of goods on approval basis	49.56	75.27
Less: Cost of goods sold on approval basis	(41.44)	(63.67)
	27,014.48	**21,827.98**
Less: Tax	(2,372.18)	(1,946.43)
Other operating income	32.71	34.70
Total	**24,675.01**	**19,916.25**

26 Other income

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on deposits and advances	32.86	25.84
Rent and amenities service income (Refer note 4)	7.63	5.72
Gain on sale of current investment	8.93	10.08
Gain on sale/discardment of PPE (net)	2.45	1.01
Exchange gain (net)	8.63	5.98
Miscellaneous income	2.83	2.78
Total	**63.33**	**51.41**

27 Changes in inventories of stock-in-trade

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Closing stock	1,909.43	1,576.22
Opening stock	1,576.22	1,147.04
Total	**(333.21)**	**(429.18)**

28 Employee benefits expenses

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries, allowances and others	358.85	276.73
Expense on employee stock option scheme (Refer note: 44)	8.27	16.61
Contribution to provident fund and other funds	24.48	16.90
Employee welfare expenses	33.14	24.79
Total	**424.74**	**335.03**

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29 Finance costs

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on term loans from banks	12.22	3.95
Interest on non convertible debentures	24.76	34.01
Interest others (Refer note: 3)	41.60	11.87
	78.58	**49.83**
Less: Capitalised (Refer note: 2)	(16.97)	(3.10)
	61.61	**46.73**
Finance charges	1.15	0.42
Total	**62.76**	**47.15**

30 Depreciation and amortisation expense

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation/ amortisation on:		
- Tangible assets (Refer note: 2)	250.96	195.54
- Right to use assets (Refer note: 3)	84.80	-
- Investment property (Refer note: 4)	1.02	1.15
- Intangible assets (Refer note: 5)	3.56	2.63
	340.34	**199.32**
Less: Capitalised	(0.53)	(0.52)
Total	**339.81**	**198.80**

31 Other expenses

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Contract labour charges	533.73	404.26
Rent (Refer note: 3)	1.03	65.64
Electricity and fuel charges	183.57	150.20
Insurance	6.58	5.18
Rates and taxes	20.97	18.90
Repairs and maintenance:		
- Building	17.72	24.16
- Plant and machinery	42.63	28.30
- Others	17.57	15.73
Legal and professional fees	10.22	10.69
Travelling and conveyance	25.07	22.36
Directors fees	1.01	0.75
Payment to auditors		
- Audit fees	0.52	0.45
- Other services	0.02	0.01
- Reimbursement of expenses	0.03	0.01
Miscellaneous expenses	233.68	195.91
Expenditure towards corporate social responsibility (CSR) activities (Refer Note:38)	17.86	16.55
Total	**1,112.21**	**959.10**

Notes

to the Standalone Financial Statements for the year ended 31st March, 2020

32 Tax expenses

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Tax expense recognized 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	448.84	501.21
Current tax on re-measurements gains/(loss) on defined benefit plans recognised in OCI	(1.28)	(0.68)
Adjustments for current tax of prior periods	0.03	(7.69)
Total current tax expense	**447.59**	**492.84**
Deferred tax		
(Decrease)/increase in deferred tax		
Total deferred tax expense/(benefit)	(15.87)	17.77
Income tax expense	**431.72**	**510.61**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Accounting profit before tax	1,782.89	1,447.64
Tax calculated at tax rates applicable to profit @ 25.168% (PY - 34.944%)	448.72	505.86
Permanent differences due to:		
Donation	0.08	0.39
Deduction taken for Sec 80JJAA and others	(3.23)	(2.79)
Corporate social responsibility	4.50	5.78
Interest on income tax	(0.01)	0.08
Fines and penalty	0.02	0.04
Deduction from income from house property	(0.52)	(0.50)
Impact of (decrease)/increase of tax rate on Deferred tax of PY	(17.92)	0.45
Others	0.08	1.30
Tax recognised in the statement of profit and loss and OCI	**431.72**	**510.61**

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to the Standalone Financial Statements for the year ended 31st March, 2020

33 Related party transactions

(₹ in Crores)

		Ownership interest	
		31st March, 2020	31st March, 2019
(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	99.82	99.75
	Reflect Wholesale and Retail Private Limited (w.e.f 28th May, 2018)	100.00	100.00
(ii)	**Shareholders who exercise control:**		
	Mr. Radhakishan Damani		
	Mr. Gopikishan Damani		
	Mrs. Shrikantadevi Damani		
	Mrs. Kirandevi Damani		
	Bright Star Investments Private Limited		
(iii)	**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) (w.e.f 30th July, 2018)		
	Mr. Niladri Deb (Chief Financial Officer) (w.e.f 7th May, 2018)		
	Mrs. Ashu Gupta (Company Secretary)		
(iv)	**Entities over which parties listed in (ii) and (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		
(v)	**Trust:**		
	Avenue Supermarts Limited Employees Group Gratuity Trust		
	D Mart Foundation		

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to the Standalone Financial Statements for the year ended 31st March, 2020

(b) Transaction with related parties

(₹ in Crores)

	31st March, 2020	31st March, 2019
Remuneration to Directors	6.35	6.32
Sitting fees to Directors	0.29	0.22
Commission to Independent Directors	0.72	0.53
Mentorship fees	₹ 1	₹ 1
Align Retail Trades Private Limited		
Purchase of goods	1,175.43	918.34
Sales of Property, plant and equipment	0.02	
Business support service income	0.05	0.05
Interest on advance given	-	1.72
ESOP expenses reimbursement	(0.03)	0.21
Balances as at:		
Trade payables	29.01	14.50
Other receivables	0.01	0.24
Investment in share capital	34.34	34.34
Avenue Food Plaza Private Limited		
Rent and amenities service income	1.62	1.18
Reimbursement of expenses	0.79	-
Balances as at:		
Other receivables	0.58	0.44
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	8.25	7.53
Prepaid rent	0.12	0.84
Investment in share capital	0.09	0.09
Avenue E-Commerce Ltd.		
Sales	193.44	80.68
Sale of Property, plant and equipment	0.13	0.18
Purchase of Property, plant and equipment	-	0.17
Rent Income	2.07	-
Business support service income	1.01	0.89
ESOP expenses reimbursement	0.14	0.14
Reimbursement of Income	5.14	2.12
Reimbursement of Expenses	0.64	-
Balances as at:		
Other payables	0.84	0.36
Trade receivables	29.00	11.19
Other receivables	0.32	0.05
Investment in share capital	252.76	177.46
Reflect Wholesale and Retail Private Limited (w.e.f 28th May, 2018)		
Investment in share capital	0.10	0.10
7 Apple Hotels Private Limited		
Rent and amenities service income	1.06	0.99
Employee Welfare Expenses	0.12	0.10
Reimbursement of expenses	0.27	0.30
Balances as at:		
Other receivables	0.08	0.02
Other payables	0.00	0.01

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(₹ in Crores)

	31st March, 2020	31st March, 2019
Bombay Swadeshi Stores Limited		
Rent and amenities service income	0.04	0.18
Reimbursement of expenses (electricity)	-	0.01
Balances as at:		
Other receivables	-	0.00
Derive Trading and Resorts Private Limited		
Employee welfare expenses	0.06	0.15
Avenue Supermarts Limited Employees Group Gratuity Trust		
Contribution to trust	12.01	6.40
D Mart Foundation		
Contribution to trust	0.04	-

Note:

1. 12,000 equity shares of ₹ 10/- each were allotted to Mr. Elvin Machado under ESOP scheme 2016.
2. Compensation to Directors of the company:

(₹ in Crores)

	31st March, 2020	31st March, 2019
Short term employment benefits	6.11	6.09
Post employment benefits	0.24	0.23
Sitting fees	0.29	0.22
Commission to Independent Directors	0.72	0.53

The aforesaid amount does not include amount in respect of gratuity and leave as the same in not determinable.

Guarantees given by the company on related parties:

(₹ in Crores)

	31st March, 2020	31st March, 2019
Secured loans	50.00	50.00
(Guarantee given for Align Retail Trades Private Limited)		

34 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Current assets		
Trade receivables	48.53	75.52
Inventories	1,909.43	1,576.22
Total current assets pledged as security	**1,957.96**	**1,651.74**
Non current assets		
First charge		
Land (Freehold and Leasehold)	193.06	45.94
Building	498.18	161.92
Total non-current assets pledged as security	**691.24**	**207.86**
Total assets pledged as security	**2,649.20**	**1,859.60**

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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)

		As at 31st March, 2020	As at 31st March, 2019
1	Principal amount not due and remaining unpaid	16.84	5.30
2	Principal amount due and remaining unpaid	0.40	0.14
3	Interest due on (1) above and the unpaid interest	-	-
4	Interest due and payable for the period of delay other than (3) above	-	-

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)

	As at 31st March, 2020	As at 31st March, 2019
Lease rent expenses recognized in the statement of Profit and Loss account	1.03	65.64
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
- For a period later than one year and not later than 5 years	-	216.21
-For a period later than five years	-	14.84

The initial non-cancellable period of lease contracts have been taken for the disclosure above.

Note: w.e.f 1st April,2019, IND AS 116 “Lease” supersedes IND AS 17 “Leases”. Refer Note 3 for disclosures.

37 Contingent liabilities and commitments

(a) Contingent liabilities

Claims against the company not acknowledged as debts

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Income tax matters	3.12	0.03
Indirect tax matters	2.15	4.33
Other matters	0.84	-
Corporate Guarantee	50.00	50.00

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 statements.

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.

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(b) Capital commitments

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) relating to stores under construction	2,150.91	1,529.22

38 Expenditure towards corporate social responsibility (CSR) activities

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Amount required to be spent as per Section 135 of the Act	22.80	16.40
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	17.86	16.55
Amount not spend during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	4.94	-

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:

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Earnings per share has been computed as under:		
Profit for the year as per statement of Profit and Loss (₹ in Crores)	1,349.89	936.35
Weighted average number of equity shares outstanding for basic EPS	628,137,345	624,084,486
Add: Weighted average number of potential equity shares on account of employee stock option schemes	4,847,630	8,972,124
Weighted average number of equity shares outstanding for dilutive EPS	632,984,975	633,056,610
Earnings Per Share (₹) - Basic (Face value of ₹ 10 per share)	21.49	15.00
Earnings Per Share (₹) - Diluted (Face value of ₹ 10 per share)	21.33	14.79

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to the Standalone Financial Statements for the year ended 31st March, 2020

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 maximize 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 Initial Public Offer (IPO) in the year ended 31st March, 2017 and Qualified Institutional Placement (QIP) in the year ended 31st March, 2020. Certain proceeds from the IPO and QIP 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.

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, lease liabilities, 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 Avenue Supermarts Limited Employee Stock Option Scheme, 2016 Stock options convertible into 13,973,325 equity shares of ₹ 10/- each were granted to eligible employees at exercise price of ₹ 299/-. Out of the options granted, 38,43,095 options lapsed (31st March, 2019: 17,21,850) and 36,91,105 options were vested (31st March, 2019: 18,000) as at 31st March, 2020. Against the vested options, 36,90,205 equity shares of ₹ 10/- each were allotted pursuant to exercise of options, and balance 900 options lapsed.

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 Standalone Financial Statements for the year ended 31st March, 2020

Movement of options granted

(₹ in Crores)

	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	299.00	12,233,475	299.00	12,990,975
Granted during the year	299.00	-	299.00	-
Forfeited during the year	299.00	2,121,245	299.00	743,100
Vested during the year*		3,673,105		14,400
Closing balance		**6,439,125**		**12,233,475**

*Against the vested options, 36,90,205 equity shares of ₹ 10/- each were allotted pursuant to exercise of options, and balance 900 options lapsed.

Vested options of 36,91,105 equity shares includes 1,200 share options vested in FY 17-18 and 2,400 share options vested in FY 16-17 alongwith number of options mentioned in above table.

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

Expense arising from equity settled share based payments transactions:

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Total ESOP expenditure	8.09	16.69
Less: Recovered from subsidiary	0.04	(0.21)
Add: Payable to subsidiary	0.14	0.13
Recognised in the statement of profit or loss	**8.27**	**16.61**

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to the Standalone Financial Statements for the year ended 31st March, 2020

45 Post retirement benefit plan

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, 2020	As at 31st March, 2019
Present value of benefit obligation at the beginning of the year	20.44	14.35
Interest cost	1.48	1.10
Current service cost	4.36	3.20
Past service cost	-	-
Benefit paid directly by the employer	-	(0.40)
Benefit paid from the fund	(0.41)	(0.14)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	1.42	0.48
Actuarial (gains)/losses on obligations - due to experience	4.91	1.85
Present value of benefit obligation at the end of the year	**32.20**	**20.44**

2 Change in fair value of plan assets

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Fair value of plan assets at the beginning of the year	18.43	10.95
Interest income	1.33	0.84
Contributions by the employer	12.01	6.40
Benefit paid from the fund	(0.41)	(0.14)
Return on plan assets, excluding interest income	1.26	0.38
Fair value of plan assets at the end of the year	**32.62**	**18.43**

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3 **Change in fair value of assets and obligations**

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Present value of benefit obligation at the end of the year	(32.20)	(20.44)
Fair value of plan assets at the end of the year	32.62	18.43
Funded status (surplus/ (deficit))	**0.42**	**(2.01)**
Current (liability)/Asset	0.42	(2.01)
Net (Liability)/Asset Recognized in the Balance Sheet	**0.42**	**(2.01)**

4 **Net benefit expenses recognised during the year**

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
In the statement of Profit and Loss		
Current service cost	4.36	3.20
Net interest cost	0.14	0.26
Past service cost	-	-
Net cost	**4.50**	**3.46**
In other comprehensive income		
Actuarial (gains)/losses on obligation for the year	6.33	2.33
Return on plan assets, excluding interest income	(1.26)	(0.38)
Net (income)/expense for the year recognized in OCI	**5.07**	**1.95**

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, 2020	As at 31st March, 2019
Expected return on plan assets	6.43%	7.22%
Rate of discounting	6.43%	7.22%
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.

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to the Standalone Financial Statements for the year ended 31st March, 2020

7 **The expected contributions for defined benefit plan for the future years is as follows:**

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Projected benefits payable in future years from the date of reporting		
1st following year	3.26	2.13
2nd following year	3.51	2.27
3rd following year	3.89	2.40
4th following year	3.69	2.60
5th following year	3.59	2.39
Sum of years 6 To 10	13.81	9.32
Sum of years 11 and above	19.68	13.10

8 **Sensitivity analysis**

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Projected benefit obligation on current assumptions	32.19	20.44
Delta effect of +1% change in rate of discounting	(1.78)	(1.09)
Delta effect of -1% change in rate of discounting	2.01	1.22
Delta effect of +1% change in rate of salary increase	1.89	1.15
Delta effect of -1% change in rate of salary increase	(1.71)	(1.05)
Delta effect of +1% change in rate of employee turnover	(0.37)	(0.19)
Delta effect of -1% change in rate of employee turnover	0.40	0.20

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.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2020

46 Financial risk management

Financial risk management objectives and policies

The company's financial principal liabilities comprises borrowings, lease liability, 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.

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 amortized 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, 2020	As at 31st March, 2019
Borrowings bearing variable rate of interest	3.73	152.70

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, 2020	As at 31st March, 2019
50 bp increase- decrease in profits	(0.02)	(0.76)
50 bp decrease- Increase in profits	0.02	0.76

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.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2020

C) **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.

Maturity patterns of borrowings

(₹ in Crores)

	As at 31st March, 2020			
	0-1 years	**1-5 years**	**beyond 5 years**	**Total**
Long term borrowings (including current maturity of long term debt)	34.00	-	-	34.00
Short term borrowings	3.73	-	-	3.73
Lease liability	64.29	145.97	32.16	242.42
Expected interest payable	3.20	-	-	3.20
Total	**105.22**	**145.97**	**32.16**	**283.35**

(₹ 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**

Maturity patterns of other financial liabilities

As at 31st March, 2020

(₹ in Crores)

	Overdue/ Payable on demand	**0-3 months**	**3-6 months**	**6 months to 12 months**	**beyond 12 months**	**Total**
Trade payable	445.97	-	-	-	-	445.97
Payable related to capital goods	72.48	-	-	-	-	72.48
Other financial liabilities (current and non current)	68.02	-	-	-	0.47	68.49
Total	**586.47**	**-**	**-**	**-**	**0.47**	**586.94**

As at 31st March, 2019

(₹ in Crores)

	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**

Notes

to the Standalone Financial Statements for the year ended 31st March, 2020

47 Ind AS 115: Revenue from contracts with customers

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)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Type of goods or service		
Sale of goods	27,006.36	21,816.38
Sale of goods on approval basis net of COGS	8.12	11.60
Other operating income	32.71	34.70
Tax	(2,372.18)	(1,946.43)
Total revenue from contract with customers	**24,675.01**	**19,916.25**
India	24,675.01	19,916.25
Outside India	-	-
Total revenue from contract with customers	**24,675.01**	**19,916.25**
Timing of revenue recognition		
Goods transferred at a point in time	24,642.30	19,881.55
Services transferred over time (Other operating income)	32.71	34.70
Total revenue from contract with customers	**24,675.01**	**19,916.25**

2. Contract balances:

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Trade receivables	48.53	75.52
Contract liabilities	1.79	0.10

Notes

to the Standalone Financial Statements for the year ended 31st March, 2020

48 Events after the reporting period

The company has evaluated subsequent events from the balance sheet date through 23rd May, 2020, the date at which the standalone financial statements were available to be issued, and determined that there are no material items to disclose other than those disclosed above.

49 Impact of Covid-19

The global spread of Covid-19 has led to an uncertain and unpredictable path ahead for all of us. Amidst the tumult of this unprecedented period, our priority has been to safeguard the health and well-being of our customers, employees and our communities while continuing our business operations.

As the lockdown continues further, we are seeing reduced sales and lower footfalls in our stores. Reduction in variable costs will trail sales drop, abetted by higher cost of hygiene and sanitation at all our locations apart from higher absenteeism due to transport restrictions. The full extent to which the pandemic will impact our future financial results will depend on upcoming developments, which are highly uncertain including any new information concerning the severity of the pandemic and the action to mitigate its spread as advised by local authorities.

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 nuw mber 324982E/E300003

per **Vijay Maniar**
Partner
Membership No.: 36738

Mumbai, 23rd May, 2020

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, 23rd May, 2020

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 2020, 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, 2020, 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 judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. 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 0.65% 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 as at March 31, 2020 after taking into consideration the potential impact of COVID 19. We determined this area as a key audit matter because of the judgmental 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 shares. 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 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 Ind AS 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 of Goodwill to the consolidated Ind AS financial statements.
Allowance for inventory shrinkages (as described in note 1.k and 1.x of the consolidated Ind AS financial statements)	
As at March 31, 2020, the carrying amount of inventories amounted to ₹ 1,947.40 crore after considering allowances for Inventory shrinkage of ₹ 17.30 crore. These inventories are held at the stores and distribution centers of the Holding Company. Allowance for Inventory shrinkage was an audit focus area because of the assessment process as the inventory cycle counts were carried out at periodical intervals during the year and further significant judgement is involved by Holding Company in identifying the amount of provision for shrinkages.	Our procedures over allowance for inventory 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 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 centers 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 center. • On account of the COVID 19 imposed lockdown, the Holding Company was unable to carry on its physical verification of inventory in the last two weeks of March 20 as planned, however the locations scheduled for the physical verification in the last two weeks had been verified during the year as planned and accordingly the shrinkage rates have been used for these locations as per the last count. • 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 consolidated Ind AS 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 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 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 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS 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 judgment 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 Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 ₹ 41.08 Crores as at March 31, 2020, and total revenues of ₹ 32.41 Crores and net cash outflow of ₹ 0.87 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, 2020 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, 2020 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, 2020 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 39 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, 2020;

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, 2020.

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

per Vijay Maniar
Partner
Membership No.: 36738
UDIN: 20036738AAAACF6511

Mumbai; May 23, 2020

Annexure 1

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF AVENUE SUPERMARTS LIMITED

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 Ind AS financial statements of Avenue Supermarts Limited as of and for the year ended March 31, 2020, 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS 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 Ind AS 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.

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Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31,2020, 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 Ind AS financial statements of the Holding Company, insofar as it relates to these three 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 No.: 36738
UDIN: 20036738AAAACF6511

Mumbai; May 23, 2020

Consolidated Balance Sheet

as at 31st March, 2020

(₹ in Crores)

	Notes	As at 31st March, 2020	As at 31st March, 2019
Assets			
Non-current assets			
(a) Property, plant and equipment	2	5,107.36	4,274.03
(b) Capital work-in-progress	2	364.40	376.84
(c) Right to use assets	3	717.33	-
(d) Investment properties	4	16.53	18.10
(e) Goodwill		78.27	78.27
(f) Intangible assets	5	28.54	29.97
(g) Financial assets			
(i) Other non-current financial assets	6	3,122.67	31.74
(h) Income tax assets (net)		8.25	0.64
(i) Deferred tax assets (net)	7	0.29	0.22
(j) Other non-current assets	8	285.14	113.33
Total non-current assets		**9,728.78**	**4,923.14**
Current assets			
(a) Inventories	9	1,947.40	1,608.65
(b) Financial assets			
(i) Investments	10	14.68	16.53
(ii) Trade receivables	11	19.55	64.37
(iii) Cash and cash equivalents	12	105.87	124.98
(iv) Bank balances other than cash and cash equivalents	13	2.01	94.09
(v) Other current financial assets	14	109.06	59.10
(c) Other current assets	15	149.10	114.86
Total current assets		**2,347.67**	**2,082.58**
Total assets		**12,076.45**	**7,005.72**
Equity and liabilities			
Equity			
(a) Equity share capital	16	647.77	624.08
(b) Other equity	17	10,431.97	4,963.37
Equity attributable to equity holders of the parent		**11,079.74**	**5,587.45**
Non-controlling interest		0.46	0.56
Total equity		**11,080.20**	**5,588.01**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	-	125.67
(ii) Lease liability	3	221.11	-
(iii) Other non-current financial liabilities	19	0.47	0.78
(b) Provisions	20	1.48	1.05
(c) Deferred tax liabilities (net)	21	47.39	63.29
Total non-current liabilities		**270.45**	**190.79**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	3.73	304.15
(ii) Lease liability	3	74.35	-
(iii) Trade payables due to:-	23		
Micro and small enterprises		17.47	5.44
Other than micro and small enterprises		415.98	457.83
(iv) Other current financial liabilities	24	177.94	396.93
(b) Current tax liabilities (Net)		0.45	26.78
(c) Other current liabilities	25	20.70	22.95
(d) Provisions	26	15.18	12.84
Total current liabilities		**725.80**	**1,226.92**
Total equity and liabilities		**12,076.45**	**7,005.72**
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

per **Vijay Maniar**
Partner
Membership No. : 36738

Mumbai, 23rd May, 2020

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

Niladri Deb
Chief Financial Officer

Ramakant Baheti
Whole-time Director and
Group Chief Financial Officer
DIN : 00246480

Ashu Gupta
Company Secretary

Thane, 23rd May, 2020

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Statement of Consolidated Profit and Loss

for the year ended 31st March, 2020

(₹ in Crores)

	Notes	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Income			
Revenue from operations	27	24,870.20	20,004.52
Other income	28	59.99	48.35
Total income		**24,930.19**	**20,052.87**
Expenses			
Purchase of stock-in-trade		21,441.68	17,445.49
Changes in inventories of stock-in-trade	29	(338.75)	(444.65)
Employee benefits expense	30	456.10	355.42
Finance costs	31	69.12	47.21
Depreciation and amortisation expense	32	374.41	212.49
Other expenses	33	1,182.86	1,014.97
Total expenses		**23,185.42**	**18,630.93**
Profit before tax		1,744.77	1,421.94
Tax expense			
Current tax	34	459.74	509.13
Deferred tax charge/(credit)		(15.97)	18.02
Adjustment of tax related to earlier years		0.02	(7.67)
Total tax expenses		**443.79**	**519.48**
Net profit after tax		1,300.98	902.46
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements gains/(loss) on defined benefit plans	47	(5.38)	(1.99)
Less : Income tax effect		1.30	0.68
Net other comprehensive income not to be reclassified to profit or loss in subsequent year		(4.08)	(1.31)
Total comprehensive income for the year		1,296.90	901.15
Profit for the year		1,300.98	902.46
Attributable to:			
Equity holders of the parent		1,301.08	902.54
Non-controlling interests		(0.10)	(0.08)
Total comprehensive income for the year		1,296.90	901.15
Attributable to:			
Equity holders of the parent		1,297.00	901.23
Non-controlling interests		(0.10)	(0.08)
Earnings per equity share of ₹10 each: (in ₹)	43		
Basic		20.71	14.46
Diluted		20.55	14.26
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these standalone 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

Mumbai, 23rd May, 2020

Thane, 23rd May, 2020

Statement of Consolidated Cash Flows

for the year ended 31st March, 2020

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cash flow from operating activities:		
Profit before tax	1,744.77	1,421.94
Adjustments for:		
Depreciation and amortization expense	374.41	212.49
Finance cost	69.12	47.21
Interest income	(32.49)	(23.59)
Profit on sale of investments	(10.16)	(11.35)
Expense on employee stock option scheme	8.46	17.15
Rent income	(2.88)	(3.60)
(Gain)/ loss on disposal of property, plant and equipment (net)	(2.45)	(0.99)
	404.01	**237.32**
Operating profit before working capital changes	**2,148.78**	**1,659.26**
Adjustments for:		
Increase/(decrease) in trade payables	(29.82)	145.99
Decrease in current provisions	(3.04)	(1.15)
Increase/(decrease) in other current financial liabilities	24.28	(29.45)
Increase/(decrease) in other current liabilities	(2.24)	10.45
Increase in non-current provisions	0.43	0.31
Decrease in other non-current financial liabilities	(0.31)	-
(Increase)/decrease in trade receivables	44.82	(30.87)
Increase in inventories	(338.75)	(445.20)
Decrease in current investments	1.85	51.65
(Increase)/decrease in other non-current financial assets	(11.33)	9.66
Increase in bank balances other than cash and cash equivalents	(0.50)	(0.50)
Increase in other current assets	(42.43)	(67.18)
(Increase)/ decrease in other financial assets	(19.20)	5.64
	(376.24)	**(350.65)**
Cash flow from operating activities	1,772.54	1,308.61
Direct taxes paid (net of refunds)	(492.40)	(501.77)
Net cash flow from operating activities	**1,280.14**	**806.84**
Cash flow from investing activities:		
Proceeds from disposal of property plant and equipment	6.15	8.44
Realisation from FDs of IPO proceeds	92.58	399.14
Realisation from FDs of QIP proceeds	129.00	-
Interest received	11.84	36.35
Gain on sale of investments	10.16	11.35
Rent income received	2.88	3.15
	252.61	**458.43**
Purchase of property, plant and equipment/ intangible assets/investment properties	(1,712.17)	(1,416.80)
QIP proceeds deposited in FDs	(3,197.00)	-
	(4,909.17)	**(1,416.80)**
Net cash flow used in investing activities	**(4,656.56)**	**(958.37)**
Cash flow from financing activities:		
Proceeds from issue of QIP (net of expenses)	4,076.51	-
Proceeds from of exercise of share options	110.34	-
Proceeds from long term borrowings	50.00	150.00
Proceeds from short term borrowings	261.03	55.00
Proceeds from commercial papers	789.46	786.52
Proceeds of non convertible debentures	300.00	-
	5,587.34	**991.52**

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Statement of Consolidated Cash Flows

for the year ended 31st March, 2020

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Repayment of long term borrowings	(200.00)	(16.00)
Repayment of short term borrowings	(315.00)	(4.55)
Repayment of commercial papers	(1,034.99)	(540.99)
Repayment of non convertible debentures	(512.00)	(170.00)
Payment of lease liability	(99.76)	-
Interest paid	(68.17)	(51.00)
	(2,229.92)	(782.54)
Cash flow from financing activities	3,357.42	208.98
Net increase/(decrease) in cash and cash equivalent	(19.00)	57.45
Cash and cash equivalents at beginning of the year (including Bank overdraft balance)	124.86	67.41
Cash and cash equivalents at end of the year	105.86	124.86
Cash and cash equivalents as per above comprises of the following		
Cash and cash equivalents (Refer note:12)	105.87	124.98
Bank overdrawn (Refer note:24)	(0.01)	(0.12)
Balance as per statement of cash flows	105.86	124.86

The accompanying notes are an integral part of these financial statements

Notes:

i) Reconciliation of borrowings

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening Balance		
Non- current borrowings (including current maturity)	396.00	432.00
Current borrowings	304.15	7.25
Net movement of borrowings		
Cash Flow		
Non- current borrowings (including current maturity)	(362.00)	(36.00)
Current borrowings	(300.42)	296.90
Closing Balance		
Non- current borrowings (including current maturity)	34.00	396.00
Current borrowings	3.73	304.15

ii) 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 nuw mber 324982E/E300003

per **Vijay Maniar**
Partner
Membership No. : 36738

Mumbai, 23rd May, 2020

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, 23rd May, 2020

Statement of Changes in Equity

for the period ended 31st March, 2020

A. Equity share capital

	Notes	No. of Shares	₹ in Crores
Equity Share of ₹10 each issued, subscribed and fully paid	16		
At 1st April, 2018		624,084,486	624.08
Issue of Share Capital		-	-
At 31st March, 2019		624,084,486	624.08
Issue of Share Capital		23,690,205	23.69
At 31st March, 2020		**647,774,691**	**647.77**

B. Other equity

(₹ in Crores)

	Notes	Other equity				Other Equity	Non-controlling Interest	Total
		Securities premium	Share options outstanding account	Debenture redemption reserve	Retained earnings			
Balance as at 1st April, 2018		1,809.77	22.67	86.95	2,125.59	4,044.98	0.64	4,045.62
Profit for the year		-	-	-	902.54	902.54	(0.08)	902.46
Other comprehensive income for the year		-	-	-	(1.31)	(1.31)	-	(1.31)
Share option expense	46	-	17.16	-	-	17.16	-	17.16
Transfer to 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**	**0.56**	**4,963.93**
Profit for the year		-	-	-	1,301.08	1,301.08	(0.10)	1,300.98
Other comprehensive income for the year		-	-	-	(4.09)	(4.09)	-	(4.09)
Exercise of share option		21.64	(21.64)	-	-	-	-	-
Issue of share capital	16	4,184.65	-	-	-	4,184.65	-	4,184.65
Share option expense	46	-	8.45	-	-	8.45	-	8.45
Transaction cost of QIP		(21.49)	-	-	-	(21.49)	-	(21.49)
Transferred from share options outstanding account on lapse of vested options		-	0.01	-	(0.01)	-	-	-
Transfer from debenture redemption reserve		-	-	(51.15)	51.15	-	-	-
Balance as at 31st March, 2020		**5,994.57**	**26.65**	**8.50**	**4,402.25**	**10,431.97**	**0.46**	**10,432.43**

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 and Avenue E-Commerce Limited Employee Stock Option Scheme, 2018.

Debenture redemption reserve

The Parent 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
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per **Vijay Maniar**
Partner
Membership No. : 36738

Niladri Deb
Chief Financial Officer

Ashu Gupta
Company Secretary

Mumbai, 23rd May, 2020

Thane, 23rd May, 2020

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2020

Corporate information

Avenue Supermarts Limited ('The Group') is a company limited by shares and is domiciled in India. The Parent Company's registered office is at Anjaneya, Opp. Hiranandani Foundation School, Powai, Mumbai, Maharashtra India 400076. The Parent Company 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 Consolidated Financial Statements have been recommended for approval by the audit committee and is approved and adopted by the Board in their meeting held on 23rd May, 2020.

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 consolidated financial statements.

(i) Historical cost convention

The consolidated 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. 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 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 Consolidated 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, 2020. 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

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2020

- 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

- 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, 2020. 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

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2020

- 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")

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 recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition 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 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.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2020

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.

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.

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(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.

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

As per Ind AS 116 "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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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.

Amortisation on right to use assets

Amortisation is provided on straight line method over the useful life of asset as assessed by the management. Amortisation is charged on pro-rata basis for asset purchased / sold during the year.

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.

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to the Consolidated Financial Statements for the year ended 31st March, 2020

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.

(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 consolidated 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.

(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 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:

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2020

* **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 statement of profit and loss account. 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 recognized in the other comprehensive income (OCI). However, The Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss account. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss account. 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.

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.

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(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.

Financial liabilities

(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.

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.

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to the Consolidated Financial Statements for the year ended 31st March, 2020

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 Parent 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 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 recognised 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.

(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

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to the Consolidated Financial Statements for the year ended 31st March, 2020

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 12 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 , recognised 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 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 Consolidated 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 retransacted. 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.

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to the Consolidated Financial Statements for the year ended 31st March, 2020

(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 reporting 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 Group measures financial instrument at fair value at each Balance sheet date.

Fair value is the price that would received to sell an assets or paid to transfer a liability in an orderly transaction between market participant at the measurement date.

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 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.

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to the Consolidated Financial Statements for the year ended 31st March, 2020

(x) **Significant accounting judgement, estimates and assumption**

The preparation of consolidated 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 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 appropriate inputs to the valuation model including expected life of the share option, volatility 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 46.

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 determining 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 no 47.

(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 for as at 31st March, 2020

2 Property, plant and equipment

(₹ in Crores)

	Freehold land (Refer note : 2,7)	Leasehold land	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, 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	27.10	1,211.33
Reclassification	-	-	(3.40)	-	-	-	-	-	-	-	(3.40)
Disposals	4.51	-	0.17	0.20	2.50	0.80	2.20	0.22	0.36	0.52	11.48
Balance as at 31st March, 2019	**1,621.23**	**406.95**	**2,115.98**	**57.21**	**190.90**	**76.06**	**205.65**	**3.01**	**29.42**	**151.14**	**4,857.55**
Additions	643.03	-	595.68	12.68	83.10	20.92	65.31	0.82	9.80	57.03	1,488.37
Reclassification	-	(406.95)	0.70	-	-	-	-	-	-	-	(406.25)
Disposals	1.32	-	0.09	0.82	1.71	1.80	2.60	0.26	0.58	0.21	9.39
Balance as at 31st March, 2020	**2,262.94**	**(0.00)**	**2,712.27**	**69.07**	**272.29**	**95.18**	**268.36**	**3.57**	**38.64**	**207.96**	**5,930.28**
Depreciation											
Balance as at 1st April, 2018	-	12.44	170.87	8.09	42.13	32.68	55.94	1.00	11.84	50.10	385.09
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	-	0.00	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**
Charge for the year	-	-	112.31	23.47	34.30	19.51	37.83	0.65	7.38	26.42	261.87
Reclassification	-	(16.91)	0.15	-	-	-	-	-	-	-	(16.76)
Disposals	-	-	0.05	0.51	1.14	1.52	1.64	0.22	0.51	0.12	5.71
Balance as at 31st March, 2020	**-**	**-**	**376.33**	**35.97**	**98.46**	**68.48**	**119.79**	**1.82**	**24.09**	**97.98**	**822.92**
Net book value											
Balance as at 31st March, 2019	**1,621.23**	**390.04**	**1,852.06**	**44.20**	**125.60**	**25.57**	**122.05**	**1.62**	**12.20**	**79.46**	**4,274.03**
Balance as at 31st March, 2020	**2,262.94**	**-**	**2,335.94**	**33.10**	**173.83**	**26.70**	**148.57**	**1.75**	**14.55**	**109.98**	**5,107.36**

* For the Notes please refer next page

Notes

to the Consolidated Financial Statements as at 31st March, 2020

Notes:

1. Building includes following amounts for construction under built operate and transfer (BOT) arrangement.

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gross block	40.98	40.98
Net block	32.71	34.70

2. Freehold land includes ₹ 344.23 Crores (31st March, 2019 : ₹ 134.63 Crores) being property purchased, for which mutation is pending.

3. Details of Capital work in progress-

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	376.84	147.07
Additions during the year	729.12	643.59
Transfer / Adjustment during the year	(741.56)	(413.82)
Closing Balance	364.40	376.84

4. Building and CWIP includes interest capitalised on borrowings for FY 2019-20 ₹16.97 Crores (FY 2018-19: ₹ 3.10 Crores)

5. Assets pledged as security for borrowings is disclosed under note 36.

6, Building includes Net book value of plant and equipment fitting of ₹ 34.79 Crores (31st March, 2019 : ₹ 43.98 Crores).

7, Freehold land ₹10.65 Crores being the value of a land purchased by the Parent Company at Nagpur from Pramod Walmandhare and others. The Parent 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 Parent Company.

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Notes

to the Consolidated Financial Statements for as at 31st March, 2020

3 Right to use assets

(₹ in Crores)

	Land (Refer note: 1)	Building	Total
Cost			
Balance as at 1st April, 2019	-	262.77	262.77
Reclassification (Refer note: 2)	406.95	-	406.95
Additions	70.60	95.35	165.95
Balance as at 31st March, 2020	**477.55**	**358.12**	**835.67**
Amortisation			
Balance as at 1st April 2019	-	-	-
Reclassification (Refer note: 2)	16.91	-	16.91
Charge for the year	5.81	95.62	101.43
Balance as at 31st March, 2020	**22.72**	**95.62**	**118.34**
Net book value			
Balance as at 1st April, 2019	**-**	**262.77**	**262.77**
Balance as at 31st March, 2020	**454.83**	**262.50**	**717.33**

Notes:

1. Right to use land includes following amounts paid as premium under built operate and transfer (BOT) arrangement.

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Gross block	13.83	13.83
Net block	13.07	13.23

2. Effective 1st April, 2019, the Group has adopted Ind AS 116 “Leases’ and applied the standard to all lease contracts existing on the date of initial application i.e. 1st April, 2019. The Group has used the modified retrospective approach for transitioning to Ind AS 116 with right of use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted.

   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.

   The Group shall 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 Group will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

   The operating leases recorded on the balance sheet following implementation of Ind AS 116 are principally in respect of leasehold land and other identified assets representing right to use as per contracts excluding low value assets and short term leases of 12 months or less.

Notes

to the Consolidated Financial Statements as at 31st March, 2020

Leases previously accounted for as operating leases

The Group recognised right of use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right of use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right of use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group has also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Lease liabilities

(₹ in Crores)

Particulars	Amount
As at 1st April, 2019	256.06
Recognised during the year	139.16
Repaid during the year	(99.76)
As at 31st March, 2020	**295.46**
Non current	221.11
Current	74.35

The Group has adopted modified retrospective approach as per para C8 (c)(ii) of IND AS 116 - Leases to its leases, effective from annual reporting period beginning 1st April, 2019. This has resulted in recognizing a right of use assets (an amount equal to the lease liability, adjusted by the prepaid lease rent) of ₹ 262.77 crores and an amount of ₹ 390.04 crores on account of reclassification of Leasehold Land as at 1st April, 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. To this extent performance for period ended 31st March, 2020 is not comparable with previous period audited consolidated financial statements.

The following are the amounts recognised in the statement of profit or loss account:

(₹ in Crores)

Particulars	Amount
Amorisations expense of right-of-use assets	101.43
Interest expense on lease liabilities	28.91
Expense relating to short-term leases (included in other expenses)	1.13
Total	**131.47**

The Group had total cash outflows for leases of ₹ 99.76 crores in 31st March, 2020. The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹120.43 crores in 31st March, 2020.

Notes

to the Consolidated Financial Statements for as at 31st March, 2020

4 Investment properties

(₹ in Crores)

		As at 31st March, 2020	As at 31st March, 2019
	Cost		
	Opening balance	21.64	18.24
	Adjustment/transfer to PPE	(0.70)	3.40
	Closing balance	**20.94**	**21.64**
	Depreciation		
	Opening balance	(3.54)	(1.91)
	Charge for the year	(1.02)	(1.15)
	Adjustment/transfer to PPE	0.15	(0.48)
	Closing balance	**(4.41)**	**(3.54)**
	Net book value	**16.53**	**18.10**
	Information regarding income and expenditure of investment properties:		
(i)	**Amounts recognised in profit or loss for investment properties**		
	Rental income including contingent rent of ₹ Nil (Previous year ₹ 0.03 Crores)	4.21	2.65
	Direct operating expenses from property that generated rental income	0.66	0.60
	Direct operating expenses from property that did not generate rental income	-	0.06
	Income from investment properties before depreciation	**3.55**	**1.9 9**
	Depreciation	1.02	1.15
	Income from investment properties	**2.53**	**0.84**
(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
	Later than one year but not later than 5 years	-	-
	Later than 5 years	-	-
		-	**1.40**
(iiii)	**Fair value**		
	Investment properties	141.45	138.29

The Group 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, 2020

5 Intangible assets

(₹ in Crores)

	Computer software	Trademarks	Total
Cost			
Balance as at 1st April, 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**
Additions	9.40	-	9.40
Disposals	0.05	-	0.05
Balance as at 31st March, 2020	**61.47**	**0.02**	**61.49**
Amortisation			
Balance as at 1st April 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**
Charge for the year	10.83	0.00	10.83
Disposals	0.05	-	0.05
Balance as at 31st March, 2020	**32.94**	**0.01**	**32.95**
Net book value			
Balance as at 31st March, 2019	**29.96**	**0.01**	**29.97**
Balance as at 31st March, 2020	**28.53**	**0.01**	**28.54**

6 Other non-current financial assets

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Rent deposits given	25.50	9.16
Other deposits	27.89	21.44
Margin money deposits with banks (held as lien by bank against bank guarantees)	0.87	0.97
Long term deposits with banks with maturity period more than 12 months (Provided as security for various regulatory registrations)	0.41	0.17
Long term deposits with banks with maturity period more than 12 months	3,068.00	-
Total	**3,122.67**	**31.74**

The above non-current financial assets are carried at amortised cost.

7 Deferred tax assets (net)

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Deferred tax liability on account of:		
- Depreciation	-	0.05
Deferred tax assets on account of:		
- Right to use assets	0.01	-
- Depreciation	0.13	0.13
- Employee benefits	0.15	0.14
Deferred tax assets (net)	**0.29**	**0.22**

Notes

to the Consolidated Financial Statements for as at 31st March, 2020

Movement in deferred tax assets (net)	Property plant and equipment	Employee benefits	Right to use assets	Total
At 1st April, 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
Charged / (Credited) to				
Profit and Loss	0.05	0.01	0.01	0.07
At 31st March, 2020	**0.13**	**0.15**	**0.01**	**0.29**

8 Other non-current assets

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Capital advances	284.04	90.52
Prepaid expenses	1.10	22.81
Total	**285.14**	**113.33**

9 Inventories

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Stock-in-trade (at lower of cost and net realisable value)	1,945.61	1,606.15
Stock of packing material	1.79	2.50
Total	**1,947.40**	**1,608.65**

10 Current investments

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Investment in mutual funds		
Unquoted		
24,870.188 [31st Match,2019: 36,433.188] HDFC Liquid Fund - Growth	14.68	16.53
Total	**14.68**	**16.53**
Aggregate amount of unquoted investments	14.68	16.53
Aggregate amount of impairment in the value of investment	-	-

11 Trade receivables

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Considered good		
Unsecured		
Other than related parties	19.55	64.37
Total	**19.55**	**64.37**

No trade or other receivable are due from directors or other officers of the Group 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, 2020

12 Cash and cash equivalents

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Balances with banks - In current accounts	58.17	63.67
Cash on hand	47.70	61.31
Total	**105.87**	**124.98**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Total cash and cash equivalents	105.87	124.98
Less: Overdrawn bank balances (Refer note: 24)	(0.01)	(0.12)
Cash and cash Equivalents for cash flow purpose	**105.86**	**124.86**

13 Bank balances other than cash and cash equivalents

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Margin money deposits with bank (held as lien by bank against guarantees)	0.86	0.82
Deposits with Bank	1.15	0.69
IPO proceeds pending utilisation (Refer note: 16)		
- Current accounts (escrow)	-	7.58
- Fixed deposits	-	85.00
Total	**2.01**	**94.09**

14 Other current financial assets

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Rent deposits given	13.09	2.98
Advances recoverable in cash or in kind or in value to be received	70.65	51.75
Interest receivable	23.49	2.84
Advances to employees	1.83	1.53
Total	**109.06**	**59.10**

The above current financial assets are carried at amortised cost.

15 Other current assets

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Prepaid Expenses	6.32	6.82
Advances to suppliers	85.74	83.11
Balance with government authorities	49.82	18.11
Fund in gratuity trust (Refer note: 47)	0.42	-
Others (Refer note: 35)	6.80	6.82
Total	**149.10**	**114.86**

Notes

to the Consolidated Financial Statements for as at 31st March, 2020

16 Equity share capital

(₹ in Crores)

		As at 31st March, 2020	As at 31st March, 2019
A.	**Authorised**		
	750,000,000 [31st March, 2019: 750,000,000] equity Shares of ₹ 10 each	750.00	750.00
	Issued, subscribed and fully paid up		
	647,774,691 [31st March, 2019: 624,084,486] equity Shares of ₹ 10 each	647.77	624.08
		647.77	**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	23,690,205	-
	Amount in ₹ Crores	23.69	-
	Balance at the end of the year		
	No. of shares	647,774,691	624,084,486
	Amount in ₹ Crores	647.77	624.08

In March 2017, the parent 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 Parent 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:-

Particulars	Planned as per Prospectus	Utilisation upto 31st March, 2020
Towards repayment / payment of NCDs / term loans	1,080.00	1,080.00
Construction and purchase of fit outs for new stores	366.60	366.60
Towards general corporate purpose (including transaction cost of IPO)	423.40	423.40
Total	**1,870.00**	**1,870.00**

Expenses incurred by the Parent Company aggregating to ₹ 29.38 Crores, in connection with IPO have been adjusted towards securities premium in March 2017.

The Parent Company through Qualified Institutions Placement (QIP) allotted 20,000,000 equity shares to the eligible Qualified Institutional Buyers (QIB) at a issue price of ₹ 2,049 per equity share (including a premium of ₹ 2,039 per equity share) aggregating to ₹ 4,098 crore on 11th February, 2020. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the "SEBI ICDR Regulations"), and Sections 42 and 62 of the Companies Act, 2013, as amended, including the rules made thereunder (the "Issue"). Funds received pursuant to QIP having utilise towards the object stated in the placement document and the balance as on 31st March,2020 unutilise remain invested in deposits with scheduled commercial banks.

Expenses incurred by the parent company aggregating to ₹ 21.49 Crores, in connection with QIP have been adjusted towards securities premium in March 2020.

b) **Terms and rights attached to equity shares**

The Parent 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 Parent 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 Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent 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 Consolidated Financial Statements as at 31st March, 2020

c) **Shares reserved for issue under option**

Information relating to Avenue Supermarts limited Employee Stock Option Scheme, 2016, and and Avenue E-Commerce Limited Employee Stock Option Scheme, 2018 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 46.

d) **Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Parent Company**

	As at 31st March, 2020	As at 31st March, 2019
Mr. Radhakishan S. Damani	222,159,156	239,689,156
- % holding of shares	34.30%	38.41%
Mr. Gopikishan S. Damani	49,480,000	50,980,000
- % holding of shares	7.64%	8.17%
Bright Star Investments Private Limited	88,750,000	88,750,000
- % holding of shares	13.70%	14.22%

17 Other equity

(₹ in Crores)

		As at 31st March, 2020	As at 31st March, 2019
(a)	**Securities premium**		
	Opening balance	1,809.77	1,809.77
	Exercise of share options	21.64	-
	Issue of share capital	4,184.65	-
	Transaction cost of QIP	(21.49)	-
	Closing balance	**5,994.57**	**1,809.77**
(b)	**Debenture redemption reserve**		
	Opening balance	59.65	86.95
	Appropriations/reversal during the year	(51.15)	(27.30)
	Closing balance	**8.50**	**59.65**
(c)	**Share options outstanding account**		
	Opening balance	39.83	22.67
	Share option expense	8.45	17.16
	Transferred from retained earnings account on lapse of vested options	0.01	-
	Exercise of share option	(21.64)	-
	Closing balance	**26.65**	**39.83**
(d)	**Retained earnings**		
	Opening balance	3,054.12	2,125.59
	Net Profit for the year	1,301.08	902.54
	Items of other comprehensive income recognised directly in retained earnings		
	- Remeasurements of post-employment benefit obligation, net of tax	(4.09)	(1.31)
	Transfer to/from debenture redemption reserve	51.15	27.30
	- Transferred from share options outstanding account on lapse of vested options	(0.01)	-
	Closing balance	**4,402.25**	**3,054.12**
	Total other equity	**10,431.97**	**4,963.37**

Notes

to the Consolidated Financial Statements for as at 31st March, 2020

18 Non-current borrowings

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Secured		
Term loans from banks	-	150.00
Less: Current maturities disclosed in other current financial liabilities (Refer note: 24)	-	(58.33)
	-	**91.67**
Non-convertible debentures	34.00	246.00
Less: Current maturities disclosed in other current financial liabilities (Refer note: 24)	(34.00)	(212.00)
	-	**34.00**
Total	**-**	**125.67**

Nature of security and terms of repayment for borrowings:

Sr. No.	Nature of Security	Terms of Payment
1	The term loans from bank of ₹ Nil (31st March, 2019: ₹ 150.00 Crores) was secured by way of mortgage of various stores properties to the banks.	
3	Non convertible debentures are secured by way of mortgage of specific stores properties to the Debenture Trustee.	NCD for ₹ 34 Crores is due for redemption on 20th August 2020, Rate of interest is 9.40% p.a.

19 Other non-current financial liabilities

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Other non-current financial liabilities at amortised cost		
Rent deposits taken	0.47	0.78
Total	**0.47**	**0.78**

The above non-current financial liabilities are carried at amortised cost.

20 Provisions

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Leave encashment	-	0.24
Gratuity (Refer note: 47)	1.48	0.81
Total	**1.48**	**1.05**

21 Deferred tax liabilities (net)

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Deferred tax liability on account of:		
- Depreciation	55.50	67.54
- Fair value gain on financial instruments at fair value through statement of profit and loss	0.14	-
Deferred tax assets on account of:		
- Employee benefits	3.94	3.47
- Right to use assets	3.44	-
- Unrealised profit on consolidation	0.87	0.78
Deferred tax liabilities (net)	**47.39**	**63.29**

Notes

to the Consolidated Financial Statements as at 31st March, 2020

Movement in deferred tax liabilities (net)

(₹ in Crores)

	Uneralised profit on consolidation	Property plant and equipment	Others	Total
At 1st April, 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**
Charged / (Credited) to				
Profit and Loss	(0.09)	(12.04)	(3.77)	(15.90)
At 31st March, 2020	**(0.87)**	**55.50**	**(7.24)**	**47.39**

22 Current borrowings

(₹ in Crores)

		As at 31st March, 2020	As at 31st March, 2019
A.	**Secured**		
	Loan repayable on demand		
	(a) Working capital loans from banks (Payable on demand)	3.73	7.70
	(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**		
	By issue of commercial papers	-	246.45
	Total	**3.73**	**304.15**

At 31st March, 2020, The Group had available ₹ 940.53 Crores (31st March, 2019: ₹ 713.28 Crores) of undrawn committed borrowing facilities.

23 Trade payables

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Trade payables	433.45	463.27
Total	**433.45**	**463.27**

(a) Dues to micro and small enterprises (Refer note 37)

The Group 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	17.47	5.44

Notes

to the Consolidated Financial Statements for as at 31st March, 2020

24 Other current financial liabilities

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Other financial liabilities measured at amortised cost:		
Current maturities of term loans (Refer note : 18)	-	58.33
Current maturities of debentures (Refer note : 18)	34.00	212.00
Interest accrued but not due on borrowings	1.96	12.03
Escrow deposits received*	22.04	11.27
Overdrawn bank balances	0.01	0.12
Salary and wages payable	46.77	33.32
Capital creditors	73.02	69.78
Other payables	0.14	0.08
Total	**177.94**	**396.93**

* Escrow deposits represents amount received for any possible claims that may arise in future in respect of certain properties (Refer note: 2).

25 Other current liabilities

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Statutory dues	18.16	22.55
Others payables (Refer note : 35)	2.54	0.40
Total	**20.70**	**22.95**

26 Provisions

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Gratuity (Refer note : 47)	-	2.01
Leave entitlement	15.18	10.83
Total	**15.18**	**12.84**

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2020

27 Revenue from operations

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sale of goods	27,202.44	21,906.32
Sale of goods on approval basis	49.56	75.27
Less : Cost of goods sold on approval basis	(41.44)	(63.67)
	27,210.56	**21,917.92**
Less : Tax	(2,377.91)	(1,950.59)
Other operating income	37.55	37.19
Total	**24,870.20**	**20,004.52**

28 Other income

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on deposits and advances	32.49	23.59
Rent and amenities service income (Refer note: 4)	2.88	3.60
Gain on sale of current investment	10.16	11.35
Gain on sale/discardment of PPE (net)	2.45	1.01
Exchange gain (net)	8.63	5.98
Miscellaneous income	3.38	2.82
Total	**59.99**	**48.35**

29 Changes in inventories of stock-in-trade

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Closing stock	1,947.40	1,608.65
Opening stock	1,608.65	1,164.00
Total	**(338.75)**	**(444.65)**

30 Employee benefits expenses

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries, allowances and others	386.99	294.72
Expense on employee stock option scheme (Refer note: 46)	8.46	17.15
Contribution to provident fund and other funds	26.48	18.17
Employee welfare expenses	34.17	25.38
Total	**456.10**	**355.42**

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to the Consolidated Financial Statements for the year ended 31st March, 2020

31 Finance costs

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on term loans from banks	12.22	3.95
Interest on non convertible debentures	24.76	34.01
Interest Others (Refer note: 3)	47.96	11.91
	84.94	**49.87**
Less : Capitalised (Refer note: 2)	(16.97)	(3.10)
	67.97	**46.77**
Finance charges	1.15	0.44
Total	**69.12**	**47.21**

32 Depreciation and amortisation expense

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation/ amortisation on:		
- Tangible assets (Refer note: 2)	261.87	203.02
- Right of use assets (Refer note:3)	101.43	-
- Investment property (Refer note: 4)	1.02	1.15
- Intangible assets (Refer note: 5)	10.83	8.99
	375.15	**213.16**
Less: Capitalised	(0.74)	(0.67)
Total	**374.41**	**212.49**

33 Other expenses

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Contract labour charges	565.19	422.33
Rent(Refer note: 3)	1.13	75.71
Electricity and fuel charges	188.24	152.80
Insurance	6.60	5.20
Rates and taxes	21.44	20.38
Repairs and maintenance:		
- Building	17.72	24.16
- Plant and machinery	44.78	29.89
- Others	18.27	23.34
Legal and professional fees	10.91	11.28
Travelling and conveyance	25.62	22.72
Directors fees	1.04	0.75
Payment to auditors		
- Audit fees (including limited review fees)	0.64	0.43
- Other services	0.02	0.11
- Reimbursement of expenses	0.04	0.01
Miscellaneous expenses	263.04	209.07
Expenditure towards corporate social responsibility (CSR) activities (Refer note: 40)	18.18	16.77
Loss on sale/discardment of PPE (net)	-	0.02
Total	**1,182.86**	**1,014.97**

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to the Consolidated Financial Statements for the year ended 31st March, 2020

34 Tax expenses

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
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	459.74	509.13
Current tax on re-measurements gains/(loss) on defined benefit plans recognised in OCI	(1.30)	(0.68)
Adjustment of tax related to earlier year	0.02	(7.67)
Total current tax expense	**458.46**	**500.78**
Deferred tax		
(Decrease)/increase in deferred tax		
Total deferred tax expense/(benefit)	(15.97)	18.02
Income tax expense	**442.49**	**518.80**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Accounting profit before tax	1,744.77	1,421.94
Tax calculated at tax rates applicable to profit @ 25.168% (previous year 34.944%)	439.12	513.34
Permanent differences due to:		
Donation	0.08	0.39
Deduction taken for 80JJAA others	(3.23)	(2.79)
Corporate social responsibility	4.58	6.22
Interest on income tax	(0.01)	0.08
Fines and penalty	0.02	0.04
Deduction from income from house property	(0.52)	(0.50)
Impact of increase/(decrease) of tax date on deferred tax of previous year	(17.95)	0.45
Others	20.40	1.57
Tax recognised in the statement of profit and loss and OCI	**442.49**	**518.80**

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Notes

to the Consolidated Financial Statements for the year ended 31st March, 2020

35 Related party transactions

		Ownership interest	
		31st March, 2020	31st March, 2019
(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)	99.82	99.75
	Reflect Wholesale and Retail Private Limited (w.e.f 28th May, 2018)	100.00	100.00
(ii)	**Shareholders who exercise control:**		
	Mr. Radhakishan Damani		
	Mr. Gopikishan Damani		
	Mrs. Shrikantadevi Damani		
	Mrs. Kirandevi Damani		
	Bright Star Investments Private Limited		
(iii)	**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) (w.e.f. 30th July, 2018)		
	Mr. Niladri Deb (Chief Financial Officer) (w.e.f. 7th May, 2018)		
	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)		
(iv)	**Entities over which parties listed in (ii) and (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		
(v)	**Trust :**		
	Avenue Supermarts Limited Employees Group Gratuity Trust		
	D Mart Foundation		

(b) Transaction with related parties

(₹ in Crores)

	31st March, 2020	31st March, 2019
Remuneration to Directors/KMP	11.31	8.14
Sitting fees to Directors	0.32	0.23
Commission to Independent Directors	0.72	0.53
Mentorship fees	₹ 1	₹ 1
Balances as at :		
Other payable	0.30	0.30
Other receivables	0.07	0.07
7 Apple Hotels Private Limited		
Rent and amenities service income	1.06	0.99
Employee welfare expenses	0.12	0.10
Reimbursement of expenses	0.27	0.30

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to the Consolidated Financial Statements for the year ended 31st March, 2020

(₹ in Crores)

	31st March, 2020	31st March, 2019
Balances as at :		
Other receivables	0.08	0.02
Other payables	0.00	0.01
Bombay Swadeshi Stores Limited		
Rent and amenities service income	0.04	0.18
Reimbursement of expenses (electricity)	0.00	0.01
Balances as at :		
Other receivables	-	0.00
Derive Trading and Resorts Private Limited		
Employee welfare expenses	0.06	0.15
Avenue Supermarts Limited Employees Group Gratuity Trust		
Contribution to trust	12.01	6.40
D Mart Foundation		
Contribution to trust	0.04	-

Note :

1. 12,000 Equity share of ₹ 10 each were alloted to Mr. Elvin Machado under the Avenue Supermarts Limited Employee Stock Option Scheme, 2016.

2. Compensation to Directors of the Group:

(₹ in Crores)

Nature of Benefit	31st March, 2020	31st March, 2019
Short term employment benefits	11.01	7.86
Post employment benefits	0.30	0.28
Sitting fees	0.32	0.23
Commission to Independent Directors	0.72	0.53

The aforesaid amount does not include amount in respect of gratuity and leave as the same in not determinable.

36 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Current Assets		
Trade receivables	77.54	75.52
Inventories	1,931.71	1,600.24
Total current assets pledged as security	**2,009.25**	**1,675.76**
Non-current assets		
First charge		
Land (Freehold and Leasehold)	193.06	45.94
Building	498.18	161.92
Total non-current assets pledged as security	**691.24**	**207.86**
Total assets pledged as security	**2,700.49**	**1,883.62**

D Mart

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2020

37 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 Group are as under:

(₹ in Crores)

		As at 31st March, 2020	As at 31st March, 2019
1	Principal amount not due and remaining unpaid	17.07	5.30
2	Principal amount due and remaining unpaid	0.40	0.14
3	Interest due on (1) above and the unpaid interest	-	-
4	Interest due and payable for the period of delay other than (3) above	-	-

38 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)

	As at 31st March, 2020	As at 31st March, 2019
Lease rent expenses recognized in the statement of Profit and Loss account	1.13	75.71
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
- For a period later than one year and not later than 5 years	-	216.54
- For a period later than five years	-	14.84

The initial non-cancellable period of lease contracts have been taken for the disclosure above.

Note:- w.e.f 1st April,2019 , IND AS 116 “Leases” supersedes IND AS 17 “Leases”. Refer note 3 for disclosures.

39 Contingent liabilities and commitments

(a) Contingent liabilities

Claims against the Group not acknowledged as debts

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Income tax matters	3.12	0.03
Indirect tax matters	2.15	4.44
Other matters	0.84	-

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 consolidated financial statements.

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 standard for material foreseeable losses on such long term contracts has been made in the books of accounts.

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to the Consolidated Financial Statements for the year ended 31st March, 2020

(b) Capital commitments

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) relating to stores under construction	2,158.73	1,807.56

40 Expenditure towards corporate social responsibility (CSR) activities

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Amount required to be spent as per Section 135 of the Act	23.14	16.61
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	18.18	16.77
Amount not spend during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	4.96	-

Amount spent during the year for corporate social responsibility (CSR) activities are in cash.

41 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.

42 The Group has not entered into any derivative transaction during the year. Unhedged foreign currency exposure at the end of the year is ₹ NIL.

43 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:

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Earnings per share has been computed as under:		
Profit for the year as per statement of Profit and Loss (₹ in Crores):	1,301.08	902.54
Weighted average number of equity shares outstanding for basic EPS	628,137,345	624,084,486
Add: Weighted average number of potential equity shares on account of employee stock option schemes	4,847,630	8,972,124
Weighted average number of equity shares outstanding for dilutive EPS	**632,984,975**	**633,056,610**
Earnings Per Share (₹) - Basic (Face value of ₹ 10 per share)	20.71	14.46
Earnings Per Share (₹) - Diluted (Face value of ₹ 10 per share)	20.55	14.26

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2020

44 (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 maximize 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 Parent Company has raised capital by issue of equity shares through an IPO in the previous year ended 31st March, 2017 and Qualified Institutional Placement (QIP) in the year ended 31st March, 2020. Certain proceeds from the IPO and QIP have been used for repayment of borrowings which have significantly reduced the Parent Company 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.

45 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, lease liabilities , 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.

46 Share-based payments

(a) Employee stock option plan of Avenue Supermarts Limited

During the year ended 31st March, 2017, the parent 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 Parent Company and of its subsidiaries.

Pursuant to Avenue Supermarts Limited Employee Stock Option Scheme, 2016 Stock options convertible into 13,973,325 equity shares of ₹ 10/- each were granted to eligible employees at exercise price of ₹ 299/-. Out of the options granted, 38,43,095 options lapsed (31st March, 2019: 17,21,850) and 36,91,105 options were vested (31st March, 2019 : 18,000) as at 31st March, 2020. Against the vested options, 36,90,205 equity shares of ₹ 10/- each were allotted pursuant to exercise of options, and balance 900 options lapsed.

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, 2020

Movement of options granted

	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	299.00	12,233,475	299.00	12,990,975
Granted during the year	299.00	-	299.00	-
Exercised during the year	299.00	-	299.00	-
Forfeited during the year	299.00	2,121,245	299.00	743,100
Vested during the year		3,673,105		14,400
Closing balance		**6,439,125**		**12,233,475**

* Against the vested options, 36,90,205 equity shares of ₹ 10/- each were allotted, pursuant to exercise and balance 900 Option lapsed.
Vested options of 36,91,105 equity shares includes 1,200 shares options vested in FY 17-18 and 2,400 shares options vested in FY 16-17 alongwith number of options mentioned in above table.

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 subsidiary 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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to the Consolidated Financial Statements for the year ended 31st March, 2020

Movement of options granted

	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	11.30	4,609,400	11.30	5,159,600
Granted during the year	11.30	-	11.30	-
Exercised during the year	11.30	-	11.30	-
Forfeited during the year	11.30	298,800	11.30	550,200
Vested during the year		-		-
Closing balance		**4,310,600**		**4,609,400**

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, 2020	31st March, 2019
Avenue Supermarts Limited	8.27	16.61
Align Retail Trades Private Limited	(0.03)	0.21
Avenue E-Commerce Limited	0.22	0.33
Recognised in the statement of profit or loss	**8.46**	**17.15**

47 Post retirement benefit plans

As per Indian Accounting Standard 19 “Employee benefits”, the disclosures as defined are given below :

Defined benefit plan

The Group 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 Parent Company contributes 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 Parent 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.

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to the Consolidated Financial Statements for the year ended 31st March, 2020

1 **Change in the present value of defined benefit obligation are as follows**

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Present value of benefit obligation at the beginning of the year	21.25	14.91
Interest cost	1.54	1.14
Current service cost	4.65	3.39
Past service cost	-	-
Benefit paid directly by the employer	-	(0.42)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(0.41)	(0.14)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	1.54	0.50
Actuarial (gains)/losses on obligations - due to experience	5.10	1.87
Present value of benefit obligation at the end of the year	**33.67**	**21.25**

2 **Change in fair value of plan assets**

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Fair value of plan assets at the beginning of the year	18.43	10.95
Interest on plan asset	1.33	0.84
Contributions by the employer	12.01	6.40
Benefits paid from the funds	(0.41)	(0.14)
Return on plan assets, excluding interest income	1.26	0.38
Fair value of plan assets at the end of the year	**32.62**	**18.43**

3 **Change in fair value of Assets and Obligations**

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Present value of benefit obligation at the end of the year	(33.68)	(21.25)
Fair value of plan assets at the end of the year	32.62	18.43
Funded status (surplus/ (deficit))	**(1.06)**	**(2.82)**
Current liability	(1.06)	(2.82)
Net (liability) / assets recognized in the balance sheet	**(1.06)**	**(2.82)**

4 **Net benefit expenses recognised during the year**

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
In the statement of profit and loss		
Current service cost	4.65	3.39
Net interest cost	0.20	0.30
Past service cost	-	-
Net cost	**4.85**	**3.69**
In other comprehensive income		
Actuarial (gains)/losses on obligation for the year	6.63	2.37
Return on plan assets, excluding interest income	(1.25)	(0.38)
Net (income)/expense for the year recognized in OCI	**5.38**	**1.99**

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.

Notes

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6 **The principal assumptions in determining gratuity defined benefit obligation for the Group are as follows:**

	As at 31st March, 2020	As at 31st March, 2019
Expected return on plan assets	6.43%	7.22%
Rate of discounting	6.43% - 6.83%	7.22% - 7.78%
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.

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 parent 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, 2020	As at 31st March, 2019
Projected benefits payable in future years from the date of reporting		
1st following year	3.33	2.16
2nd following year	3.61	2.32
3rd following year	4.00	2.47
4th following year	3.81	2.68
5th following year	3.73	2.47
Sum of years 6 to 10	14.36	9.69
Sum of years 11 and above	22.30	14.78

8 **Sensitivity Analysis**

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Projected benefit obligation on current assumptions	33.67	21.25
Delta effect of +1% change in rate of discounting	(1.92)	(1.16)
Delta effect of -1% change in rate of discounting	2.17	1.31
Delta effect of +1% change in rate of salary increase	2.04	1.23
Delta effect of -1% change in rate of salary increase	(1.85)	(1.13)
Delta effect of +1% change in rate of employee turnover	(0.40)	(0.19)
Delta effect of -1% change in rate of employee turnover	0.43	0.21

There has been no change from the previous year in the method and assumptions used in preparing the sensitivity analysis.

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to the Consolidated Financial Statements for the year ended 31st March, 2020

These plans typically exposed the Group company to actuarial risks such as Interest risk, Salary risk, Investment risk, Asset liability matching risk and Mortality risk.

Gratuity is a defined benefit plan and Group 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.

48 Financial risk management

Financial risk management objectives and policies

The Group's financial principal liabilities comprises borrowings, lease liability, 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 amortized 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.

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to the Consolidated Financial Statements for the year ended 31st March, 2020

Exposure to interest rate risk

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Borrowings bearing variable rate of interest	3.73	157.70

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, 2020	As at 31st March, 2019
50 bp increase- decrease in profits	(0.02)	(0.79)
50 bp decrease- Increase in profits	0.02	0.79

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 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.

Since Group operates on business model of primarily cash and carry, credit risk from receivable perspective is insignificant.

C. 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, 2020			
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	34.00	-	-	34.00
Short term borrowings	3.73	-	-	3.73
Lease Liability	74.35	188.95	32.16	295.46
Expected interest payable	3.20	-	-	3.20
Total	**115.28**	**188.95**	**32.16**	**336.39**

(₹ 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**

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to the Consolidated Financial Statements for the year ended 31st March, 2020

Maturity patterns of other financial liabilities

(₹ in Crores)

	As at 31st March, 2020					
	Overdue/ payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade payable	433.45	-	-	-	-	433.45
Payable related to capital goods	73.02	-	-	-	-	73.02
Other financial liabilities (current and non current)	71.37	-	-	-	0.47	71.84
Total	**577.84**	**-**	**-**	**-**	**0.47**	**578.31**

(₹ 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**

49 For disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

	Name of the entity	As at 31st March, 2020 Net assets i.e. total assets minus total liabilities		As at 31st March, 2020 Share in total comprehensive income	
		As a % of consolidated net assets	(₹ in Crores)	As a % of consolidated net assets	(₹ in Crores)
	Parent				
	Avenue Supermarts Limited	98.61%	11,135.52	103.73%	1,346.10
	Subsidiaries				
1	Align Retail Trades Private Limited	0.76%	84.55	1.91%	24.77
2	Avenue Food Plaza Private Limited	0.22%	25.21	0.48%	6.29
3	Nahar Seth & Jogani Developers Private Limited	0.03%	2.95	0.04%	0.54
4	Avenue E-Commerce Limited	0.38%	43.18	(6.16%)	(79.96)
5	Reflect Wholesale and Retail Private Limited	0.00%	0.09	0.00%	(0.00)
	Subtotal		**11,291.50**		**1,297.72**
	Inter company elimination and consolidation adjustments		(211.30)		(0.82)
	Grand total		**11,080.20**		**1,296.90**
	Minority interest		0.46		(0.10)

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to the Consolidated Financial Statements for the year ended 31st March, 2020

		As at 31st March, 2019		As at 31st March, 2019	
		Net assets i.e. total assets minus total liabilities		Share in total comprehensive income	
	Name of the entity	As a % of consolidated net assets	(₹ in Crores)	As a % of consolidated net assets	(₹ in Crores)
	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)**

50 Ind AS 115 : Revenue from Contracts with Customers

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 1 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.

Notes
to the Consolidated Financial Statements for the year ended 31st March, 2020

1. **Disaggregated revenue information:**
Set out below is the disaggregation of the Group's revenue from contracts with customers:

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Type of goods or service		
Sale of goods	27,202.44	21,906.32
Sale of goods on approval basis net of COGS	8.12	11.60
Other operating income	37.55	37.19
Tax	(2,377.91)	(1,950.59)
Total revenue from contract with customers	**24,870.20**	**20,004.52**
India	24,870.20	20,004.52
Outside India	-	-
Total revenue from contract with customers	**24,870.20**	**20,004.52**
Timing of revenue recognition		
Goods transferred at a point in time	24,832.65	19,967.33
Services transferred over time (Other operating income)	37.55	37.19
Total revenue from contract with customers	**24,870.20**	**20,004.52**

2. **Contract balances:**

(₹ in Crores)

	As at 31st March, 2020	As at 31st March, 2019
Trade receivables	19.55	64.37
Contract liabilities	2.54	0.40

51 Events after the reporting period

The Group has evaluated subsequent events from the balance sheet date through 23rd May, 2020 the date at which the consolidated financial statements were available to be issued, and determined that there are no material items to disclose other than those disclosed above.

52. Impact of COVID 19

The global spread of Covid-19 has led to an uncertain and unpredictable path ahead for all of us. Amidst the tumult of this unprecedented period, our priority has been to safeguard the health and well-being of our customers, employees and our communities while continuing our business operations. As the lockdown continues further, we are seeing reduced sales and lower footfalls in our stores. Reduction in variable costs will trail sales drop, abetted by higher cost of hygiene and sanitation at all our locations apart from higher absenteeism due to transport restrictions. The full extent to which the pandemic will impact our future financial results will depend on upcoming developments, which are highly uncertain including any new information concerning the severity of the pandemic and the action to mitigate its spread as advised by local authorities.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2020

53 The previous year numbers have been reclassified wherever necessary.

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 nuw mber 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

Mumbai, 23rd May, 2020

Thane, 23rd May, 2020

Notice of the 20th Annual General Meeting

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Avenue Supermarts Limited will be held on Tuesday, 1st September, 2020 at 11.00 a.m. IST through video conferencing (VC) or other audio visual means (OAVM) 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, 2020 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, 2020 together with the Reports of Auditors thereon;

2. Retirement by Rotation:

To appoint a Director in place of Mr. Ramakant Baheti (DIN: 00246480), who retires by rotation and being eligible, offers himself for re-appointment;

SPECIAL BUSINESS:

3. Re-appointment of Mr. Chandrashekhar Bhave (DIN: 00059856) as an Independent Director of the Company:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Chandrashekhar Bhave (DIN: 00059856) whose term as an Independent Director of the Company expires on 16th May, 2021, who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be re-appointed as an Independent Director of the Company, be and is hereby re-appointed for a second consecutive term of 5 (five) years with effect from 17th May, 2021 upto 16th May, 2026 and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment(s) or modification(s) thereto or re-enactment(s) thereof for the time being in force) and subject to such other applicable laws, rules, regulations etc. as may be applicable in this regard, consent of the members of the Company be and is hereby accorded to continue the tenure of Mr. Bhave, as a Non-Executive Independent Director of the Company on his attaining the age of 75 years until the expiry of his tenure.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company."

4. Re-appointment of Mr. Ignatius Navil Noronha (DIN: 01787989) as Managing Director of the Company:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the said Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ignatius Navil Noronha (DIN: 01787989) be and is hereby re-appointed as Managing Director and designated as "Chief Executive Officer" of the Company, who shall not be liable to retire by rotation, for a period of 5 (five) years with effect from 1st February, 2021 to 31st January, 2026, within remuneration range of ₹ 4.5 crore per annum to ₹ 6.75 crore per annum and on such terms and conditions as set out in the Explanatory Statement annexed to this Notice and as per Letter of Appointment containing terms of appointment, with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions on recommendation of Nomination and Remuneration Committee, without further reference to the members of the Company, in such manner as may be agreed to between the Board of Directors and Mr. Ignatius Navil Noronha; subject to the provisions of Schedule V of the Companies Act, 2013.

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RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company."

5. **Re-appointment of Mr. Elvin Machado (DIN: 07206710) as Whole-time Director of the Company:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the said Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Elvin Machado (DIN: 07206710) be and is hereby re-appointed as Whole-time Director of the Company, who shall be liable to retire by rotation, for a period of 3 (three) years with effect from 10th June, 2021 to 9th June, 2024 within remuneration range of ₹ 76 lakh per annum to ₹ 1 crore per annum and on such terms and conditions as set out in the Explanatory Statement annexed to this Notice and as per Letter of Appointment containing terms of appointment, with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions on recommendation of Nomination and Remuneration Committee, without further reference to the members of the Company, in such manner as may be agreed to between the Board of Directors and Mr. Elvin Machado; subject to the provisions of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company."

By order of the Board of Directors of
Avenue Supermarts Limited

Ashu Gupta
Company Secretary
Membership No. A13449

Place: Thane
Date: 11th July, 2020

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
E-mail ID: investorrelations@dmartindia.com
Website: www.dmartindia.com

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") pursuant to Circular No. 20/2020 dated 5th May, 2020 read with Circular No. 14/2020 dated 8th April, 2020 and Circular No.17/2020 dated 13th April, 2020 ("MCA Circulars") and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), permitted holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM) without the physical presence of Members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars.

2. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

4. Institutional/Corporate Members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of its Board Resolution/Authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by e-mail through its registered e-mail address to hsk@rathiandassociates.com with a copy marked to evoting@nsdl.co.in.

5. Participation through VC / OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.

6. 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.

7. 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 17th 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 had 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.

8. Statement giving details of the Directors 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").

9. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at e-mail address: investorrelations@dmartindia.com at least seven days prior to the date of Annual General Meeting. The same shall be replied suitably by the Company.

10. All the relevant documents referred to in this AGM Notice and Explanatory Statement etc., 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 and other documents shall be available electronically for inspection by the members at the AGM. Members seeking to inspect such documents can send an e-mail to investorrelations@dmartindia.com from their registered e-mail address.

11. The Register of Members and Transfer Books of the Company will be closed from Wednesday, 26th August, 2020 to Tuesday, 1st September, 2020 (both days inclusive).

12. Members holding shares of the Company as on Tuesday, 25th August, 2020, 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.

13. Members holding shares in dematerialised 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 Share Transfer Agent, Link Intime (India) Private Limited. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agent.

14. 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 Share Transfer Agent, Link Intime (India) Private Limited.

15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised 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 dematerialised form. Members can contact the Company or Link Intime (India) Private Limited for assistance in this regard.

16. 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.

17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company's Registrar and Share Transfer Agent/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.dmartindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL https://www.evoting.nsdl.com.

18. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at investorrelations@dmartindia.com or to Link Intime (India) Private Limited at rnt.helpdesk@linkintime.co.in.

19. Instructions for members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM or view the live webcast of AGM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Secretarial Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

3. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

4. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/ 022-24994360 or Ms. Soni Singh, Assistant Manager – NSDL at sonis@nsdl.co.in/ 022-24994559.

5. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send request from their registered e-mail address mentioning their name, demat account number/folio number, e-mail id, mobile number at investorrelations@dmartindia.com from 26th August, 2020 (9:00 a.m. IST) to 28th August, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

20. Voting Options:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

Instructions for remote e-voting are as under:

The remote e-voting period commences on Saturday, 29th August, 2020 (9:00 a.m. IST) and ends on Monday, 31st August, 2020 (5:00 p.m. IST). During this period members of the Company, holding shares as on the cut-off date of Tuesday, 25th August, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled 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.

Process 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 (DP ID + 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 e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail 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 e-mail ID is not registered, please follow steps mentioned below in process for those members whose e-mail ids are not registered.

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.

Process for those members whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to investorrelations@dmartindia.com or to Link Intime (India) Private Limited at rnt.helpdesk@linkintime.co.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorrelations@dmartindia.com or to Link Intime (India) Private Limited at rnt.helpdesk@linkintime.co.in.

   Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

The instructions for members for e-voting on the day of the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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 authorised signatory(ies) who are authorised to vote, to the Scrutiniser 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, e-mail-id: pallavid@nsdl.co.in/evoting@nsdl.co.in.

Other instructions

1. The Company has appointed Mr. Himanshu S. Kamdar (Membership No.: FCS 5171), Partner of M/s. Rathi & Associates, Practicing Company Secretaries, as scrutiniser (the 'Scrutiniser') for conducting the e-voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.

2. The members who have cast their vote by remote e-voting may attend the meeting through VC / OAVM but shall not be entitled to cast their vote again.

3. 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, 25th August, 2020 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting.

4. 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, 25th August, 2020, 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.

5. The Scrutiniser shall after the conclusion of voting at the AGM, will count the votes cast at the meeting through e-voting and thereafter unblock the votes cast through remote e-voting and shall make not later than 48 hours of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

6. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.dmartindia.com and on the website of NSDL www.evoting.nsdl.com immediately. 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 members of the Company at its Annual General Meeting held on 16th September, 2016 had approved the appointment of Mr. Chandrashekhar Bhave as Non-Executive Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office upto 16th May, 2021.

Mr. Chandrashekhar Bhave, Non-Executive Independent Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mr. Bhave has the requisite qualification, skills, experience and expertise in specific functional areas, which is beneficial to the Company and based on the outcome of his performance evaluation, the Nomination and Remuneration Committee recommended and the Board of Directors of the Company approved at their respective meetings held on, 11th July, 2020, his re-appointment as a Non-Executive Independent Director for the second term of 5 (five) consecutive years on the Board of the Company w.e.f. 17th May, 2021.

As per Regulation 17 (1A) of Listing Regulations, 2015 approval of Members of the Company is required by way of a special resolution, for continuance of his appointment as an Independent Director of the Company on his attaining the age of 75 years during his tenure.

In the opinion of the Board, Mr. Bhave, fulfills the conditions specified in the Act, its rules framed thereunder and Listing Regulations for re-appointment as Independent Director and he is independent of the management. Accordingly, the Board of Directors recommends the special resolution set out in Item No. 3 for approval of the members of the Company as Special Resolution.

The required details as per the Secretarial Standards ("SS-2") and Regulation 36(3) of the Listing Regulations, is provided at Annexure A of this Notice. The draft letter of appointment setting out terms and conditions of re-appointment of the said Director shall be open for inspection by the Members through electronic mode.

Except Mr. Bhave, none of the Promoters, 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

The members of the Company at its Extra-Ordinary General Meeting held on 10th March, 2016 had approved the re-appointment of Mr. Ignatius Navil Noronha as a Managing Director of the Company for a period of 5 (five) years w.e.f. 1st February, 2016 and payment of remuneration during his tenure. His term as Managing Director shall expire on 31st January, 2021.

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors of the Company, at their meeting held on 11th July, 2020, approved his re-appointment as Managing Director of the Company and designated as 'Chief Executive Officer', for a further period of 5 (five) years with effect from 1st February, 2021 and payment of the remuneration to him for the said tenure.

The re-appointment of Managing Director of the Company shall require the approval of the members by way of passing of Ordinary Resolution pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013.

Mr. Ignatius Navil Noronha is not disqualified in terms of Section 164 of the Act and has given his consent to act as the Managing Director & CEO of the Company. He satisfies all the conditions as set out in Section 196(3) of the Act and Part I of Schedule V to the Act, for being eligible for his re-appointment.

He has requisite qualification, skills, experience and expertise in specific functional areas, which is beneficial to the Company and considering his contribution in overall growth and performance of the Company, the Board recommends passing the resolution at Item No.4 of the Notice as an Ordinary Resolution by the Members.

The terms and conditions of his re-appointment are broadly stated as under:

(i) Fixed remuneration: The Board of Directors of the Company in consultation with the Nomination and Remuneration Committee and Mr. Ignatius Navil Noronha, may from time to time, fix the remuneration within a range of ₹ 4.5 crore per annum to ₹ 6.75 crore per annum.

(ii) Variable remuneration: He shall be entitled to incentive pay in accordance with the Company's Policy as may be amended from time to time.

(iii) Perquisites:

   a) Leave/Leave Encashment on cessation of service, as per Rules of the Company.

   b) Other benefits, schemes, privileges and amenities as per the Company's policy.

(iv) Mr. Noronha shall not be liable to retire by rotation. His directorship shall not be reckoned for the purpose of determining the rotation or retirement of Directors.

The Board of Directors shall be authorised to give annual increments to the aforesaid remuneration, as may be deemed appropriate, which shall be merit based taking into account other relevant factors and in accordance with the limits specified under the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard.

The terms and conditions of re-appointment of the said re-appointment shall be open for inspection by the Members through electronic mode.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Ignatius Navil Noronha under Section 190 of the Companies Act, 2013. The required details as per the Secretarial Standards ("SS-2") and Regulation 36(3) of the Listing Regulations, is provided at Annexure A of this Notice.

Except Mr. Ignatius Navil Noronha, none of the Promoters, 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. 4 of the Notice.

ITEM NO. 5

The members of the Company at its Annual General Meeting held on 28th August, 2018 had approved re-appointment of Mr. Elvin Machado as a Whole-time Director of the Company for a period of 3 years w.e.f. 10th June, 2018 and payment of remuneration during his tenure. His term as Whole-time Director shall expire on 10th June, 2021.

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors of the Company, at their meeting held on 11th July, 2020, approved his re-appointment as a Whole-time Director, for a further period of 3 (three) years with effect from 10th June, 2021, and payment of the remuneration to him.

The re-appointment of Whole-time Director of the Company shall require the approval of the members by way of passing of Ordinary Resolution pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013.

Mr. Elvin Machado is not disqualified in terms of Section 164 of the Act and has given his consent to act as the Whole-time Director of the Company. He satisfies all the conditions as set out in Section 196(3) of the Act and Part I of Schedule V to the Act, for being eligible for his re-appointment.

He has requisite qualification, skills, experience and expertise in specific functional areas which will be beneficial to the Company. Accordingly, the Board recommends passing the resolution at Item No. 5 of the Notice as an Ordinary Resolution by the Members.

The terms and conditions of his re-appointment are broadly stated as under:

(i) Fixed remuneration: The Board of Directors of the Company in consultation with the Nomination and Remuneration Committee and Mr. Elvin Machado, may, from time to time, may fix the remuneration within a range ₹ 76 lakh per annum to ₹ 1 crore per annum.

(ii) Variable remuneration: He shall be entitled to incentive pay in accordance with the Company's Policy as may be amended from time to time.

(iii) Stock Options: He shall be entitled to Employee Stock Options granted under the Employee Stock Option Scheme of the Company through which shares may be allotted. The perquisite value of stock options exercised shall be in addition to the remuneration mentioned above.

(iv) Perquisites:

a) Leave/Leave Encashment on cessation of service, as per Rules of the Company.

b) Other benefits, schemes, privileges and amenities as per the Company's policy.

(v) Mr. Machado shall be liable to retire by rotation.

The Board of Directors shall be authorised to give annual increments to the aforesaid remuneration, as may be deemed appropriate, which shall be merit based taking into account other relevant factors and in accordance with the limits specified under the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard.

The terms and conditions of re-appointment of the said re-appointment shall be open for inspection by the Members through electronic mode.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Elvin Machado under Section 190 of the Companies Act, 2013. The required details as per the Secretarial Standards ("SS-2") and Regulation 36(3) of the Listing Regulations, is provided at Annexure A of this Notice.

Except Mr. Elvin Machado, none of the Promoters, 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. 5 of the Notice.

By order of the Board of Directors of
Avenue Supermarts Limited

Ashu Gupta
Company Secretary
Membership No. A13449

Place: Thane
Date: 11th July, 2020

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
E-mail ID: investorrelations@dmartindia.com
Website: www.dmartindia.com

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ANNEXURE-A

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

1. Mr. Ramakant Baheti	
Age	47 years
Date of appointment on the Board	2nd January, 2006
Qualifications	Chartered Accountant
Nature of expertise & experience	Mr. Ramakant Baheti is a Chartered Accountant from the Institute of Chartered Accountants of India and holds a graduation degree in Commerce from Maharishi Dayanand Saraswati University, Ajmer. He has 22 years of experience in finance.
Relationship with other Director/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Terms and conditions of appointment/re-appointment	Mr. Baheti was re-appointed as a Whole-time Director & Group Chief Financial Officer for a period of 5 (five) years with effect from 1st May, 2019 and shall be 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	Mr. Baheti shall be paid remuneration as per resolution passed by the members of the Company
Number of meetings of the Board attended during the financial year (2019-20)	6
Directorships held in other companies	• Avenue E-Commerce Limited • Damani Estates & Finance Private Limited • Trishala Realty Private Limited • Nahar Seth and Jogani Developers Private Limited • Habitat Micro Build India Housing Finance Company Private Limited • Reflect Wholesale & Retail Private Limited • Smt. Saraswati Devi Shivkishan Damani Foundation
Memberships/Chairmanships of committees of other companies	• Avenue E-Commerce Limited 1. Audit Committee – Member 2. Nomination and Remuneration Committee - Member 3. Finance & Operations Committee – Chairman 4. ESOP Committee – Chairman • Habitat Micro Build India Housing Finance Company Private Limited 1. Risk Management Committee – Member 2. Audit Committee – Member 3. Customer Service and Grievance Redressal Mechanism Committee – Member 4. Resource Committee – Member
No. of shares held in the Company	2,799,107 equity shares of the Company

2. Mr. Chandrashekhar Bhave	
Age	69 years
Date of appointment on the Board	17^{th} May, 2016
Qualifications	Graduation degree in electrical engineering from Jabalpur Engineering College
Nature of expertise & experience	Mr. Bhave holds a graduation degree in electrical engineering from Jabalpur Engineering College. He has several years of experience in the state and central administrative services and securities regulation. Prior to joining our Company, he has been in the Indian administrative services and has worked in different positions with the State Government and the Central Government. He has held the position of a senior executive director of SEBI during the years 1992 to 1996 which were the formative years of SEBI, and during which period the work of creating the regulatory infrastructure for capital markets was undertaken. He has also served as the chairman and managing director of NSDL during the years 1996 to 2008. Further, he has served as the chairman of SEBI during the years 2008 to 2011. During this period, he was also the chairperson of the Asia-Pacific Regional Committee and a member of the technical and the executive committees of the International Organisation of Securities Commission. He was a member of the board of the Public Interest Oversight Board ("PIOB"), which is a not for profit foundation registered in Madrid, Spain. The PIOB supervises the work of the standard setting bodies of the International Federation of Accountant from the perspective of public interest. He was a trustee of the IFRS foundation based in London. He is also the Chairman of the Indian Institute for Human Settlements, a not for profit company established for the purpose of creating and disseminating knowledge related to human settlements in the context of urban areas. He is a member of the board of Mahindra and Mahindra Financial Services Limited, Vistaar Financial Services Private Limited, Tejas Networks Limited, Max Bupa Health Insurance Company Limited and a trustee on the board of trustees of the Independent and Public Spirited Media Foundation Trust.
Relationship with other Director/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Terms and conditions of appointment/ re-appointment	It is proposed to re-appoint Mr. Chandrashekhar Bhave as a Non-Executive Independent Director, for a further period of 5 (five) years with effect from 17^{th} May, 2021 and as mentioned in resolution no. 3 of the Notice convening this Meeting read along with Explanatory Statement thereto.
Remuneration last drawn	Refer to Directors' Report and Corporate Governance Report forming part of the Annual Report
Remuneration proposed to be paid	Mr. Bhave being a Non-Executive Director shall be paid sitting fees for attending Board and/or Committee Meetings and commission, as approved by the Members of the Company.
Number of meetings of the Board attended during the financial year (2019-20)	6
Directorships held in other companies	• Mahindra & Mahindra Financial Services Limited • Vistaar Financial Services Private Limited • Indian Institute for Human Settlements • Tejas Networks Limited • Max Bupa Health Insurance Company Limited
Memberships/Chairmanships of committees of other companies	• Mahindra & Mahindra Financial Services Limited 1. Risk Management Committee – Chairman 2. Audit Committee – Chairman 3. Nomination and Remuneration Committee Chairman 4. IT Strategy Committee – Member 5. Stakeholders Relationship Committee – Member • Vistaar Financial Services Private Limited 1. Corporate Social Responsibility Committee – Chairman 2. Nomination & Remuneration Committee – Member • Tejas Networks Limited 1. Audit Committee – Chairman 2. Nomination and Remuneration Committee – Member 3. Risk Management Committee – Member • Max Bupa Health Insurance Company Limited 1. Nomination and Remuneration Committee – Member
No. of shares held in the Company	NIL

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3. Mr. Ignatius Navil Noronha	
Age	45 years
Date of appointment on the Board	2nd January, 2006
Qualifications	Graduation degree in science from S.I.E.S. College of Arts, Science and Commerce, Mumbai and a post graduation degree in marketing management from Narsee Monjee Institute of Management Studies, Mumbai.
Nature of expertise & experience	Mr. Ignatius Navil Noronha holds a graduation degree in science from S.I.E.S. College of Arts, Science and Commerce, Mumbai and a postgraduate degree in marketing management from Narsee Monjee Institute of Management Studies, Mumbai. He has several years of experience in the consumer goods industry. Prior to joining the Company, he has worked with Hindustan Unilever Limited for eight years. During this period, he worked in the field of Market research, Sales and Modern trade and at the time of leaving this organisation, he was designated as the key Accounts Manager – Modern trade.
Relationship with other Director/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Terms and conditions of appointment/re-appointment	It is proposed to re-appoint Mr. Ignatius Navil Noronha as a Managing Director, for a further period of 5 (five) years with effect from 1st February, 2021 and as mentioned in Resolution No. 4 of the Notice convening this Meeting read along with Explanatory Statement thereto.
Remuneration last drawn	Refer to Directors' Report and Corporate Governance Report forming part of the Annual Report
Remuneration proposed to be paid	As per the Resolution No. 4 of the Notice convening this Meeting read along with Explanatory Statement thereto.
Number of meetings of the Board attended during the financial year (2019-20)	6
Directorships held in other companies	• Avenue E-Commerce Limited • Reflect Wholesale & Retail Private Limited
Memberships/Chairmanships of committees of other companies	• Avenue E-Commerce Limited 1. Finance & Operations Committee – Member 2. ESOP Committee – Member
No. of shares held in the Company	13,126,235 equity shares of the Company.

4. Mr. Elvin Machado	
Age	53 years
Date of appointment on the Board	10th June, 2015
Qualifications	Graduation degree in Economics from St. Xavier's College, University of Mumbai and M.A. (Part I) from Mumbai University
Nature of expertise & experience	Mr. Elvin Machado did his Graduation from St. Xavier's College – Mumbai in the year 1987 majoring in Economics and later completed M.A. (Part I) from Mumbai University. Post the graduation, he worked as a "Statistician" with a Pharmaceutical Company. In 1988 joined FMCG giant HLL now Hindustan Unilever Limited as a Trainee Territory Sales In-charge promoted as Officer. Later he was posted at Lever House (HO) as Trade Marketing Executive from where he has supervised and monitored work in many locations across India. At Unilever, his last posting was as "Branch Operations Manager" at Kolkata Branch. Post 18 years of stint with Unilever, he joined Avenue Supermarts Limited in 2007 as General Manager-Operations. In capacity of GM – Operations, he headed the Mumbai Circle. With a successful stint in Mumbai went on to Head the Gujarat Circle for two and half years. He had been in Mumbai taking care of "Real Estate Acquisition" for 4 years. Subsequently he was taken on Board as Whole-time Director. He has completed 13 years with Avenue Supermarts Limited and is presently looking after operations for the newly established circles of Madhya Pradesh, Chhattisgarh, Rajasthan, NCR and Punjab.
Relationship with other Director/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Terms and conditions of appointment/ re-appointment	It is proposed to re-appoint Mr. Elvin Machado as a Whole-time Director, for a further period of 3 (three) years with effect from 10th June, 2021 and as mentioned in Resolution No. 5 of the Notice convening this Meeting read along with Explanatory Statement thereto.
Remuneration last drawn	Refer to Directors' Report and Corporate Governance Report forming part of the Annual Report
Remuneration proposed to be paid	As per the Resolution No. 5 of the Notice convening this Meeting read along with Explanatory Statement thereto.
Number of meetings of the Board attended during the financial year (2019-20)	6
Directorships held in other companies	Nil
Memberships/Chairmanships of committees of other companies	Nil
No. of shares held in the Company	318,794 equity shares of the Company

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

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