

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

21st July, 2021

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 financial year 2020-21

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 2020-21 and Notice convening 21st 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, 17th August, 2021 at 11:00 a.m. IST 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

Company Secretary & Compliance Officer



Encl: As above



GOOD PRODUCTS GREAT VALUE

2020-21
ANNUAL REPORT
AVENUE SUPERMARTS LIMITED

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Key Highlights FY 2020-21

₹23,787 cr

Revenue from Operations

₹1,742 cr

EBITDA

₹1,165 cr

Profit After Tax

234

of Stores

11/1

of States and Union Territory

22*

of New Stores Added

8.8 mn sq. ft.

Retail Business Area

*22 New Stores were added in FY 2020-21 and two of our older stores were converted in fulfillment center for Avenue E-Commerce Limited

D-Mart®Lottit®

Good Products Great Value

We continue in our business approach to provide good quality products at competitive prices to meet our customers' everyday shopping needs.

Our customer-oriented approach has resulted in credible growth for the company thus far.

About DMart



DMart was conceived by value investor Mr. Radhakishan Damani in the year 2000, operating a single store in Maharashtra. With a mission to be the lowest priced retailer in its area of operation, DMart has grown steadily over the years, and operates 234 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.

Core Values, Vision and Mission

OUR CORE VALUES

Action

Focus

To be focused about what I do.

Motivated

To have a strong drive towards achieving my goals.

Enthusiastic

To love what I do.

Care

Respect

To respect every individual in the organisation, treat her/him with dignity and pay due consideration 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

To be open, honest and fair in all our relationships with highest level of personal and business integrity.

OUR VISION

It is our continuous endeavor to investigate, identify and make available new products / categories for the customer's everyday use and at the 'best' value than anybody else.

OUR MISSION

To be the lowest priced retailer in the area of operation / city / region.



CORPORATE OVERVIEW

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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 22* stores in FY 2020-21, thus ending the year with 234 stores, spread across 11 states and one union territory.

*22 New Stores were added in FY 2020-21 and two of our older stores were converted in fulfillment center for Avenue E-Commerce Limited

FY 2016-17



- Maharashtra (60)
- Rajasthan (3)
- Gujarat (29)
- Tamil Nadu (1)
- Telangana (14)
- Chhattisgarh (2)
- Karnataka (11)
- NCR (1)
- Andhra Pradesh (6)
- Madhya Pradesh (3)
- Daman (1)

FY 2002-03



FY 2012-13



CUMULATIVE STORES

2
Stores

62
Stores

131
Stores

Note: Maps not to scale

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)

FY 2020-21

- Maharashtra (74)
- Gujarat (42)
- Telangana (27)
- Karnataka (21)
- Andhra Pradesh (21)
- Madhya Pradesh (14)
- Rajasthan (8)
- Punjab (7)
- Tamil Nadu (12)
- Chhattisgarh (5)
- NCR (2)
- Daman (1)

214 Stores

234* Stores

*22 New Stores were added in FY 2020-21 and two of our older stores were converted in fulfillment center for Avenue E-Commerce Limited

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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

57.41%
Revenue Contribution FY 2020-21

52.40%
Revenue Contribution FY 2019-20

Non Foods (FMCG)



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

19.69%
Revenue Contribution FY 2020-21

20.29%
Revenue Contribution FY 2019-20

General Merchandise & Apparel



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

22.90%
Revenue Contribution FY 2020-21

27.31%
Revenue Contribution FY 2019-20

CORPORATE OVERVIEW

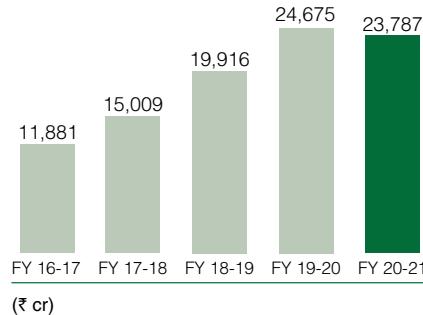
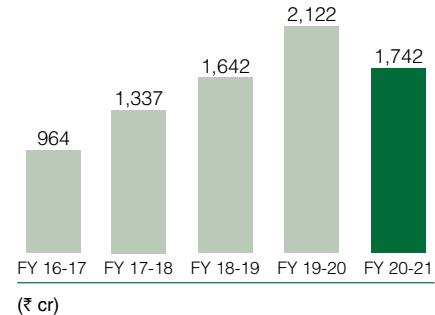
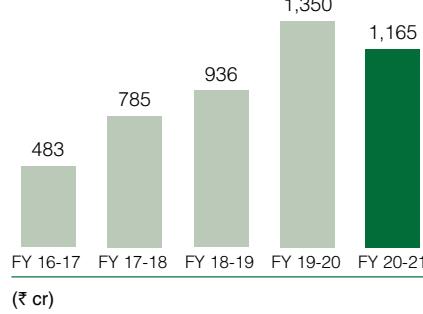
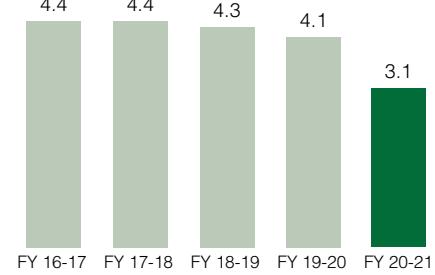
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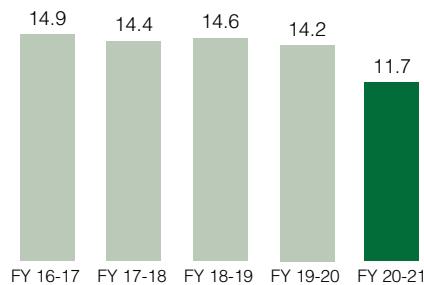
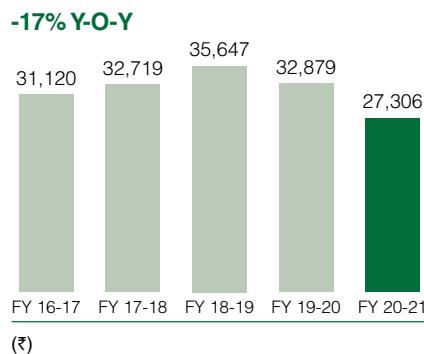
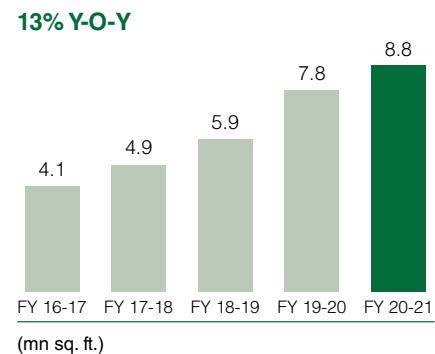
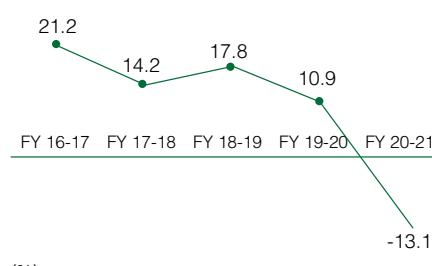
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Key Performance Indicators

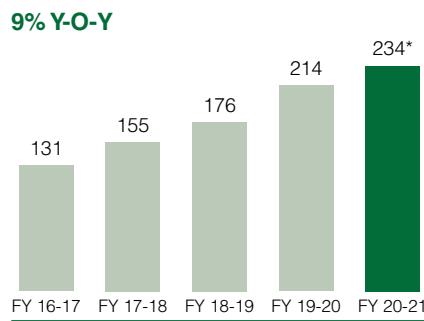
With a strategy of maintaining cost efficiencies while offering the best customer value, DMart has witnessed stable performance across financial and operational parameters over the years. FY 2020-21 was disrupted due to COVID-19.

REVENUE FROM OPERATIONS**-4% Y-O-Y****EBITDA****-18% Y-O-Y****PROFIT AFTER TAX****-14% Y-O-Y****FIXED ASSET TURNOVER**

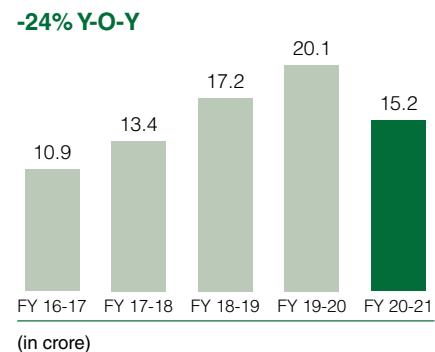
INVENTORY TURNOVER**REVENUE PER RETAIL BUSINESS AREA SQ FT****RETAIL BUSINESS AREA****LIKE FOR LIKE GROWTH* (LFL)**

(%)

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

OF STORES FY 2020-21

*22 New Stores were added in FY 2020-21 and two of our older stores were converted in fulfillment center for Avenue E-Commerce Limited

OF BILL CUTS

Message from the Chairman



The current external environment is characterised by cautious optimism, led by the lifting of lockdowns during the second half of the year, a renewed focus on business activity, concerted action, and most importantly, the discovery of multiple COVID-19 vaccines.

Dear Shareholders,

When I wrote to you last year, the world was starting to witness the vagaries of the COVID-19 pandemic, while adapting to a new normal. In the past one year, we can see that a lot has changed in the way we live our lives. However, the inherent will of humanity to learn, adapt and survive continues to be a constant.

Macro Environment

As FY 2020-21 progressed, one could see a clear divide between the earlier and the latter quarters. This was led by a strong government stance to balance both lives and livelihoods, with lockdowns to protect public health, while adopting

much-needed fiscal and monetary policy measures to infuse liquidity into the system. We also witnessed the corporate and non-profit sectors contributing actively to help the nation and its people, together with healthcare workers and others.

The current external environment is characterised by cautious optimism, led by the lifting of lockdowns during the second half of the year, a renewed focus on business activity, concerted action, and most importantly, the discovery of multiple COVID-19 vaccines. However, a second wave of infections towards the end of the financial year and consequent lockdowns has threatened this recovery.

At an output level, the global GDP is expected to rise by 6.0% in the coming year, whereas for India, this figure is estimated to be double the global average (Source: April 2021 World Economic Outlook, IMF). This reinforces the fact that India is inherently resilient and while the short-term uncertainties continue, our long-term growth drivers remain intact.

Review of Our Company Performance

This was a very challenging year for the Company, as physical movement of consumers, employees, and others were restricted owing to lockdowns during the early stage of the pandemic. Even as



this unfolded, we were quick to respond and held the safety of our employees and customers as a key priority by following all safety guidelines as advised by authorities from time to time. We also temporarily commenced servicing our customers through new channels of delivery to provide them with essential goods through Home Delivery (using the DMart Ready Online App) and DMart on Wheels for large housing complexes. Our construction activity was also severely impacted during the first half of the year.

However, towards the latter part of the year, activity picked up and we were gradually able to open all our stores for customers with due safety precautions. We also saw our retail footprint grow to take our cumulative store count to 234 at the end of FY 2020-21.

We are now witnessing some of the restrictions of the last year as a second wave of infections has hit the country. The enforcements at local levels are much stricter this time. The impact of this second wave on our business and financials will depend on the severity of

the infections and the roll out of vaccines for all citizens.

Our Commitments

In these testing times, our collective opinion as a Board and as an organisation has been to put the health and safety of our customers and employees first. Every DMart location continues to follow social distancing norms and all other safety protocols as defined by the local authorities. Our commitments to our customers continue as we strive to provide them with essential supplies.

Our CSR activity is directed towards primary education in municipal schools. Students faced significant disruption during the year, thus our team gradually reached out to students by using virtual learning environments and enabled them to continue their learning amidst this disruption. We continue to improvise on our efforts in this area.

From an environmental standpoint, we continue to obtain green building certifications for our buildings. We also continue to further invest in renewable

energy and sewage treatment plants among other environmentally friendly practices. Our organisation is committed to make a meaningful impact in this area.

Conclusion

As I conclude, I would like to thank all our shareholders who continue to believe in DMart and what it stands for. I would also like to extend my heartfelt gratitude to all our employees for their relentless focus, commitment and dedication to help us serve our customers in their hour of need. I am hopeful that the concerted efforts of the government authorities and medical fraternity will help us tide this phase and usher in the next phase of India's growth story.

Best regards,

Ramesh Damani
Chairman

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Sustainability at DMart



Rooftop Solar Panels

We continue to focus on our core sustainability principles of judicious use of natural resources, reduction of our carbon footprint, and minimal environmental impact through our operations. We have introduced some new initiatives this year to further make a positive impact on our journey towards a greener future.

New Initiatives**Plastic packaging waste management at production centers**

We have undertaken a pilot project to scientifically dispose the plastic packaging waste at our production centres. The plastic packaging waste (pre-consumer) generated at our production / packaging units is segregated at source and stored in a covered place. This waste is then recycled into plastic pellets for further use.

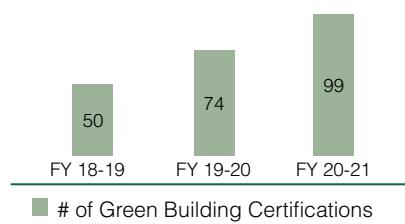
Alternative sustainable packaging

To reduce the packaging consumption by light weighting the packaging, the traditional tubs (made of board) used for serving popcorn are replaced by paper pouches. These pouches weigh 1/3rd of the tubs.

Progress of our Existing Initiatives

Green Building Certification

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



This year we have further obtained Gold Certified Green Building Certification for 24 additional buildings and 1 Silver Certified Green Building Certification; taking our total to 99 buildings. This certification is issued by the Indian Green Building Council (IGBC) for 95 of our buildings and U.S Green Building Council (USGBC) for 4 of our buildings. There are several factors which are considered for awarding this certification. Some of those are elaborated below in detail (including our efforts within those factors) :

1. Energy Efficiency

Renewable Energy Use – We have 102 stores with solar panels installed on their rooftops and 1 Carport (Solar Panels above Car Parking). Solar energy installed capacity is increased to 9.5 MW against 7.0 MW for last year. This is achieved by Installation of Solar Plants at several existing and new stores. Collectively, 17% of our total power requirement at these stores was met through Solar Power.

- 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 174 rainwater harvesting pits across our premises to collect rainwater run-off and harvest it (through ground water recharge). This helps in addressing the issue of groundwater depletion.

Other practices

- LED Fixtures are installed at our stores to reduce overall energy consumption and this year we have also tried usage of solar tubes at one of our stores
- 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 74 Sewage Treatment Plants (STP) across our premises with a cumulative capacity to treat 770 Kilo litres of water per day. Recycled water is used for flushing and gardening, thus reducing the usage of fresh water.

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 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.

Corporate Social Responsibility



One of our school programmes conducted prior to Covid-19 pandemic.

Schools and other learning spaces were shut through most of the year due to the pandemic. Thus, there was a significant shift in the learning system from physical classrooms to virtual learning which extensively made use of audio, video and e-books as learning aids.



One of our sports programmes conducted prior to Covid-19 pandemic.

The transition from physical mode of teaching to virtual was overwhelming for students and educators alike across the country but it was even more acute in our context as most of the students we support come from economically weaker backgrounds. They grappled with challenges like a non-conducive learning environment at homes, device unavailability, poor internet connectivity and a looming existential crisis due to loss of livelihoods of some of the families. Several families migrated back to their villages.

We mobilised our resources from different programmes such as Reading

Programme, English For All, Digital Literacy Programme and Sports Programme to support our students virtually. We collaborated with the school authorities and assisted them in setting up virtual learning environments and creating online appropriate content to the best of our abilities.

We continued our support for two of our other existing programmes during the year:

- a) **Parents Outreach Programmes:** We connected with several parents and reiterated the importance of education, the need for proactive

parental involvement in these crucial times and various ways in which parents can provide a conducive learning environment at home.

- b) **Public Private Partnership (PPP) model Schools:** We have adopted two public schools since the last four years. Our teachers constantly supported students virtually through innovative and improvised pedagogy led by teachers and extra-curricular activities led by students.

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Board of Directors

Mr. Ignatius Navil Noronha
Managing Director & CEO

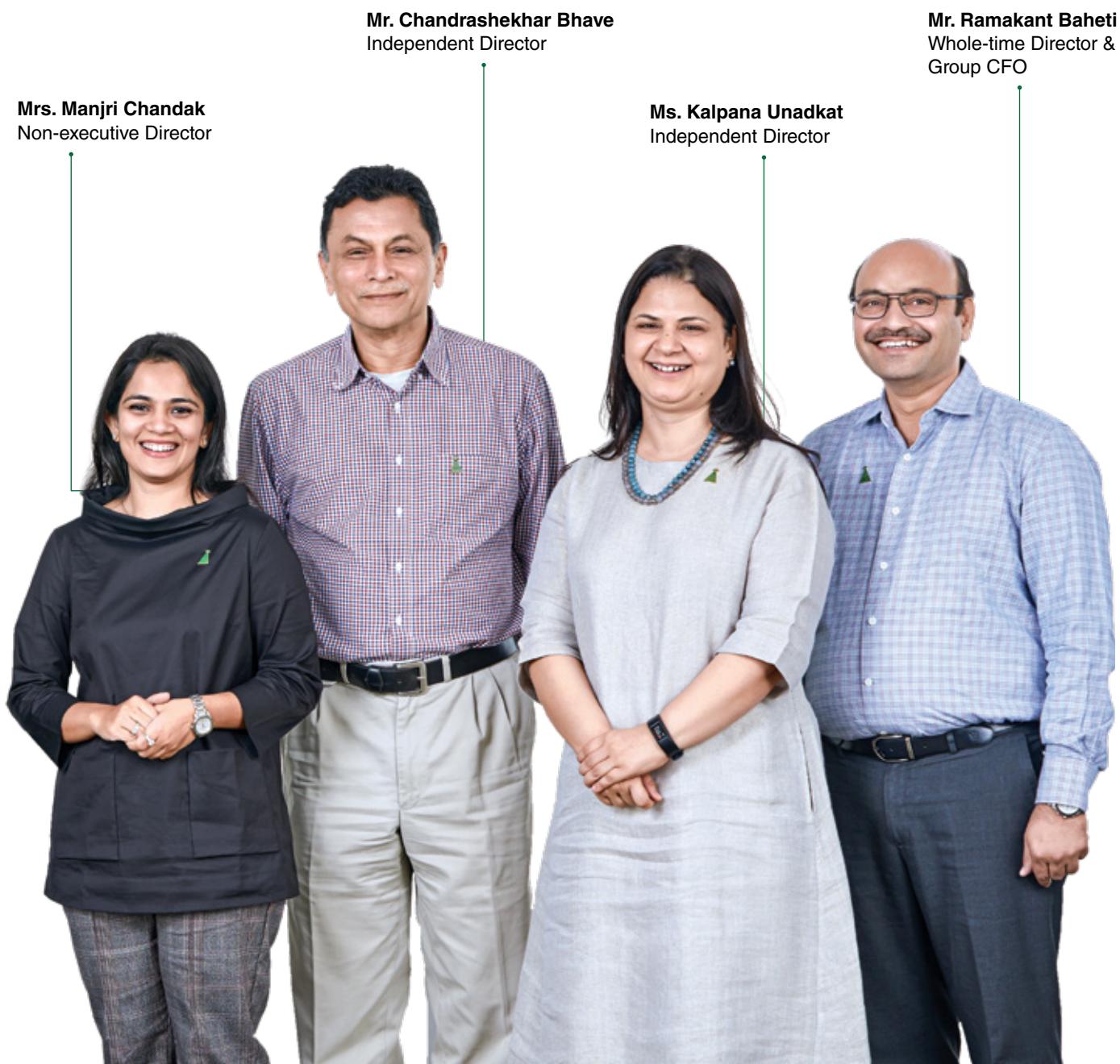


Mr. Elvin Machado
Whole-time Director



Mr. Ramesh Damani
Chairman & Independent Director





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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. Narayanan Bhaskaran
Chief Operating Officer,
Retail



Mr. Niladri Deb
Chief Financial Officer



Mr. Trivikrama Rao Dasu
CEO, Avenue E-Commerce
Limited



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
Mrs. Manjri Chandak – Member
(w.e.f. 17th October, 2020)
Mr. Ramakant Baheti - Member
(upto 17th October, 2020)

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

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

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,
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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

The year under review was one of the most challenging one in recent history, characterised by volatility and instability. The outbreak of the novel coronavirus and the consequent pandemic- induced lockdown caused trade disruptions on a large scale.

The Indian economy was also affected by this crisis as it recorded a de-growth of 10.4% during the first nine months of FY 2020-21, compared to a growth rate of 4.4% in the same period the previous year (Source: Ministry of Statistics & Programme Implementation Government of India). Consumer sentiment remained muted due to macroeconomic factors such as slowdown in industrial growth, consequent reduction in per capita income and discretionary spend driven largely by the disruptions due to the pandemic across the country.

India had taken proactive measures to ensure the containment of the virus to attain economic normalcy. Significant economic support was provided by the Government and lockdown restrictions had been lifted in the second half of the year. Recovery was underway in many sectors of the economy. However, the country is currently facing a second wave of new infections and mortalities. This second wave of the virus towards the end of FY 2020-21 has again led to full or partial lockdowns across several states.

Outlook

There are significant challenges in the short to medium term as the country races to mitigate the second wave of infections and increase the speed of vaccinating the large populace.

The long-term growth factors of the economy such as favourable demography, stable geo-political environment, and increased urbanisation remain intact and are projected to drive the India growth story in the long term.

INDUSTRY OVERVIEW

The pandemic has significantly impacted several retail businesses in the country. The industry has seen several store closures due to lower footfalls and lean demand. Growth for the next few years will continue to be dependent on the progress of the pandemic in the country and the speed with which the population of the country is vaccinated.

The overall retail industry is estimated to have de-grown by 10-13% in FY 2020-21 and within this the organised brick and mortar industry is estimated to have de-grown by 19-22% (Source: *Crisil Ratings*).

E-Commerce has seen significant acceleration during FY 2020-21. Consumers preferred to stay home and increased their adoption of shopping from E-Commerce platforms during the pandemic. The industry is estimated to have grown by 9-12% during FY 2020-21. Some of these habits are likely to sustain in the long run and benefit the E-Commerce industry. Within E-Retail, Food & Grocery segment has seen significantly strong growth in FY 2020-21. (Source: *Crisil Ratings*)

BUSINESS OVERVIEW

Avenue Supermarkets 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. Since launching our first store in 2002 in Mumbai, Maharashtra, we have grown to 234 stores with a retail business area of 8.82 million sq. ft. spread across Maharashtra (74 stores), Gujarat (42), Telangana (27), Karnataka (21), Andhra Pradesh (21), Madhya Pradesh (14), Tamil Nadu (12), Rajasthan (8), Chhattisgarh (5), Punjab (7), Daman (1), and NCR (2). 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.) |
|----------------|---------------|---|
| FY21 | 234* | 8.8 |
| FY20 | 214 | 7.8 |
| FY19 | 176 | 5.9 |
| FY18 | 155 | 4.9 |
| FY17 | 131 | 4.1 |

*22 New Stores were added in FY 2020-21 and two of our older stores were converted in fulfillment center for Avenue E-Commerce Limited

Our operations are ably supported by a network of distribution centres and packing centres. As of March 31, 2021 we had 39 distribution centres and 7 packing centres.



Our total number of bill cuts have declined during the year. Our total number of bill cuts, was 15.2 crores in FY 2020-21 as compared to 20.1 crores during FY 2019-20.

Our annualised revenue from sales per retail business area sq. ft. (#) was ₹27,306 in FY 2020-21 and ₹32,879 in FY 2019-20.

Annualised 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

| Particulars | Standalone | | | Consolidated | | |
|----------------------------------|------------|-----------|------------------------|--------------|-----------|------------------------|
| | FY21 | FY20 | Increase / (Decrease)% | FY21 | FY20 | Increase / (Decrease)% |
| Net Sales/Income from Operations | 23,787.20 | 24,675.01 | -3.6% | 24,143.06 | 24,870.20 | -2.92% |
| Other Income | 208.90 | 63.33 | 229.86% | 196.21 | 59.99 | 227.07% |
| Finance Cost | 34.48 | 62.76 | -45.06% | 41.65 | 69.12 | -39.74% |
| Profit Before tax | 1544.79 | 1,782.89 | -13.35% | 1,483.45 | 1,744.77 | -14.98% |
| Profit After Tax | 1165.31 | 1,349.89 | -13.67% | 1,099.43 | 1,300.98 | -15.49% |
| EPS - Basic (in ₹) | 17.99 | 21.49 | -16.29% | 16.97 | 20.71 | -18.06% |
| EPS - Diluted (in ₹) | 17.86 | 21.33 | -16.27% | 16.85 | 20.55 | -18.00% |

Key Financial Ratios

| Particulars | FY21 | FY20 |
|-------------------------------------|--------|--------|
| Operating Profit Margin (%) | 6.58% | 7.46% |
| Net Profit Margin (%) | 4.86% | 5.46% |
| Interest Coverage Ratio* | 45.80 | 23.15 |
| Debtors Turnover | 261.72 | 243.47 |
| Inventory Turnover (Based on sales) | 11.67 | 14.16 |
| Current Ratio | 3.70 | 3.18 |
| Debt Equity Ratio | 0.02 | 0.03 |
| Return on Net Worth* | 9.94% | 16.14% |

*Notes

1. Change in Interest Coverage ratio is due to a decrease in finance cost.
2. Change in Return on Net Worth is due to lower earnings.

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.

At the end of FY 2020-21, we had a total of 10,175 permanent employees and 36,869 employees hired on contractual basis.

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 key risks and concerns in our business:

- The outbreak of COVID-19 could materially and adversely affect our business, financial condition, and results of operations
- 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

Impact of COVID-19

During the last quarter of FY 2019-20, COVID-19 spread globally and in India, and impacted business operations of the Company. Some normalcy was restored as infections reduced and therefore lockdown restrictions were lifted in the country during the second half of the year.

However, towards the end of FY 2020-21, a much stronger second wave of the pandemic with significantly higher infections has been witnessed across the country. The enforcements from authorities at local levels this time are much stricter. Enforcements

vary from complete or partial lockdown in several cities and towns, to restricted hours of operations, to store closures on certain days of the week. Several of our stores have also been restricted to sell non-essential products on certain days of the week or for continuous periods. As the country continues to grapple with this situation, we frequently expect such restrictions throughout the country during the year.

The complete extent to which COVID-19 further impacts our business will depend on future developments, which are highly uncertain and cannot be predicted. At the same time, our business continues to rapidly adopt new guidelines announced by the Central Government, State Governments and the local authorities that enables shopping with adequate social distancing and other safety measures.

During FY 2020-21, 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) for extended periods
- d) Reduced employee attendance due to local transport restrictions
- e) Temporary stoppage of all our construction activities for extended periods
- f) Disruption in our Supply Chain due to restricted manpower, transportation and material unavailability for extended periods

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 have pleasure in presenting the Twenty First Annual Report of Avenue Supermarts Limited ("the Company") together with the audited financial statements of the Company for the financial year ended 31st March, 2021.

FINANCIAL PERFORMANCE

The Company's financial performance during the year ended 31st March, 2021 compared to the previous financial year is summarized below:

| Particulars | (₹ in crore) | | | |
|--|------------------|------------------|------------------|------------------|
| | Standalone | | Consolidated | |
| | FY 2020-21 | FY 2019-20 | FY 2020-21 | FY 2019-20 |
| Income from operations | 23,787.20 | 24,675.01 | 24,143.06 | 24,870.20 |
| Other Income | 208.90 | 63.33 | 196.21 | 59.99 |
| Total Income | 23,996.10 | 24,738.34 | 24,339.27 | 24,930.19 |
| Expenses | 22,451.31 | 22,955.45 | 22,855.82 | 23,185.42 |
| Profit before tax | 1,544.79 | 1,782.89 | 1,483.45 | 1,744.77 |
| Less: Tax Expense | 379.48 | 433.00 | 384.02 | 443.79 |
| Profit after Tax | 1,165.31 | 1,349.89 | 1,099.43 | 1,300.98 |
| Other comprehensive Income (net of taxes) | (1.44) | (3.79) | (1.90) | (4.08) |
| Total Comprehensive income for the year | 1,163.87 | 1,346.10 | 1,097.53 | 1,296.90 |

The financial statements for the year ended 31st March, 2021 have been prepared as per the Indian Accounting Standards (Ind AS).

BUSINESS AND OPERATIONS

During the year under review, your Company expanded operations by adding 22 new stores despite restrictions imposed due to outbreak of COVID-19 pandemic. The Company converted 2 stores into fulfillment centers for its Subsidiary company, Avenue E-commerce Limited. The Company has presence across 11 states and 1 union territory with a total of 234 stores as of 31st March, 2021. 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.

On standalone basis, the total income for FY 2021 was ₹23,996.10 Crore, which is 3% lower than the previous year's income of ₹24,738.34 Crore. Our total income on consolidated basis for FY 2021 was ₹24,339.27 Crore as against ₹24,930.19 Crore during FY 2020.

On standalone basis, the net profit after tax (PAT) for FY 2021 stood at ₹1,165.31 Crore as against previous year's net profit of ₹1,349.89 Crore thereby recording a de-growth of 13.67%.

Our net profit after tax (PAT) on consolidated basis for FY 2021 amounted for ₹1,099.43 Crore as compared to ₹1,300.98 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 09th November, 2020 for its debt instruments/ bank facilities as follows:

| Sr. No. | Instruments | Rating |
|---------|-------------------------------------|-------------------|
| 1 | Bank Loan Facilities of ₹585 Crores | CRISIL AA+/Stable |
| 2 | Commercial Paper of ₹200 Crores | CRISIL A1+ |

The above ratings indicate high degree of safety regarding timely servicing of financial obligations. The rated instrument carries lowest credit risk. With the above rating affirmations, the Company continues to enjoy high credit quality rating for its long-term bank facilities and commercial paper programme.

UTILIZATION OF QUALIFIED INSTITUTIONAL PLACEMENT (QIP) PROCEEDS

The proceeds of funds raised under Qualified Institutional Placement of the Company are utilized 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 utilization of QIP proceeds upto 31 st March, 2021 (₹ in crore) | Actual utilization of QIP proceeds upto 31 st March, 2020 (₹ in crore) |
|--------------|---|--|--|
| 1. | Capex payment | 783.00 | - |
| 2. | Repayment of Non-convertible Debentures | 300.00 | 300.00 |
| 3. | Repayment of WCDL/ Commercial Paper | 250.00 | 250.00 |
| 4. | Repayment of Term Loan | 158.00 | 158.00 |
| 5. | WC/ General Corporate expenses (Excluding QIP expenses) | 302.00 | 302.00 |
| Total | | 1,793.00 | 1,010.00 |

Out of the total fund raised by the Company under Qualified Institutional Placement, an amount of ₹ 2,285 Crore is unutilized as on 31st March, 2021.

CHANGES IN SHARE CAPITAL

During FY 2020-21 there was no change in the authorised and paid-up share capital of the Company. The paid-up Equity Share Capital as on 31st March, 2021 amounted to ₹ 647.77 Crores.

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

DIVIDEND

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

DIVIDEND DISTRIBUTION POLICY

The Company has in place a Dividend Distribution Policy in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is available on the Company's website at <http://www.dmartindia.com/investor-relationship>. The said Policy is disclosed under **Annexure-I** to this Report.

TRANSFER TO RESERVES

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

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the applicable provisions of the Companies Act, 2013 including 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, this Annual Report includes Consolidated Financial Statements for the financial year 2020-21.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company has 5 subsidiaries as on 31st March, 2021. 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 2021 stood at ₹1,296.15 Crore against ₹1,177.62 Crore in the previous year and the Company posted net profit after tax of ₹15.80 Crore for FY 2021 against ₹24.81 Crore for FY 2020.

AVENUE FOOD PLAZA PRIVATE LIMITED (AFPPL):

AFPPL is a wholly-owned subsidiary Company incorporated on 08th June, 2004. It is engaged in the business of operating food stalls at DMart stores. The revenue from operations of the Company for FY 2021 stood at ₹14.91 Crore as against ₹32.41 Crore for FY 2020. The Company reported loss after tax of ₹ 1.90 Crore against net profit after tax ₹6.29 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 allows its customers to order a broad range of grocery and household products through its mobile app 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 has been operating its business in Mumbai through its fulfillment centers and a network of Pick-up points located across the Mumbai Metropolitan region. During the Financial Year 2020-21, AEL expanded its coverage by opening additional fulfillment centers and Pick-up points in MMR and in four new cities viz. Pune, Hyderabad, Bangalore and Ahmedabad.

AEL's revenue from operations for FY 2021 stood at ₹791.29 Crore vis-à-vis ₹ 354.03 Crore in the FY 2020. The Company registered a loss of ₹ 80.62 Crore in FY 2021 against the loss of ₹79.71 Crore in FY 2020.

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 2021 and FY 2020 was ₹ 0.75 Crore and the Company earned net profit after tax of ₹ 0.53 Crore for FY 2021 against ₹0.54 Crore for FY 2020.

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 audited financial statements in respect of subsidiaries are available on the website of the Company under web link <http://www.dmartindia.com/investor-relationship>. The same shall also be sent to Members electronically who request for the same by sending email 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 SEBI 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 before the commencement of the new financial year, for the transactions which are repetitive in nature and also for the transactions which are not foreseen (subject to financial limit). A statement of all related party transactions is presented before the Audit Committee on a quarterly basis specifying the nature, value and terms & conditions of the transactions. All transactions entered with related parties were in compliance with the applicable provisions of the Companies Act, 2013 read with the relevant rules made there under and the Listing Regulations.

All related party transactions entered into by the Company during the financial year under review were generally in the ordinary course of business and always on arm's length basis. All transactions entered with related parties were in compliance with the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and the Listing Regulations.

During the year 2020-21, 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.

The transactions entered by the Company during the financial year under review were in conformity with the Company's Policy on Related Party Transactions.

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.

Re-appointments:

As per Section 149 of the Companies Act, 2013 and on recommendations of the Nomination & Remuneration Committee, Mr. Chandrashekhar Bhave (DIN: 00059856) was re-appointed as an Independent Director of the Company for a term of five years commencing from 17th May, 2021, which was approved by the members of the Company at their 20th Annual General Meeting held on 1st September, 2020.

Mr. Ignatius Navil Noronha (01787989) was re-appointed as a Managing Director of the Company designated as "Chief Executive Officer" for a period of five years commencing from 1st February, 2021 by the members of the Company in 20th Annual General Meeting held on 1st September, 2020.

Mr. Elvin Machado (DIN:07206710) was re-appointed as a Whole-time Director of the Company for a term of three years commencing from 10th June, 2021 by the members of the Company at their 20th Annual General Meeting held on 1st September, 2020.

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.

Consequently, Mr. Elvin Machado (DIN: 07206710), 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 on the recommendations of the Nomination & Remuneration Committee has recommended 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. Elvin Machado, 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 Key Managerial Personnel of the Company as prescribed under section 203 of the Companies Act, 2013.

Declarations by 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 and Regulation 16(1) (b) of the Listing Regulations.

In the opinion of the Board, Independent Directors fulfill the conditions specified in Companies Act, 2013 read with the Schedules and Rules issued there under 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 maintained with Indian Institute of Corporate Affairs in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Familiarization Programmes

The Company has conducted familiarization 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 familiarization program conducted by the Company are hosted on the Company's website under the web link <http://www.dmartindia.com/investor-relationship>.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Board Meetings

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

Audit Committee

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

The composition of the Audit Committee is as under:

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

*Mr. Ramakant Baheti ceased to be a member of Audit Committee & Mrs. Manjri Chandak was appointed as Audit Committee member w.e.f. 17th October, 2020.

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

Nomination and Remuneration Committee

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

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

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

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

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

The Nomination and Remuneration Policy of the Company is hosted on the Company's website under the web link <http://www.dmartindia.com/investor-relationship>.

The Nomination and Remuneration Policy of the Company is disclosed under **Annexure-III** and forms part of this report.

Stakeholders Relationship Committee

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

The composition of the Stakeholders Relationship Committee is as under:

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

The 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, as amended from time to time, the Board of Directors of the Company has constituted Corporate Social

Responsibility (CSR) Committee. The Committee is entrusted with following responsibilities:

- To formulate CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and recommend same to the Board;
- To recommend the amount of expenditure to be incurred on CSR activities;
- To recommend annual action plan to Board of Directors of the Company in pursuance to the CSR policy and any modification as may be required;
- To implement and monitor the CSR activities of the Company, which shall be in compliance with CSR objectives and Policy of the Company;
- To provide a report on CSR activities to the Board of the Company periodically;
- To undertake impact assessment, if required through an independent agency as per the requirements of Companies Act, 2013 and CSR rules made thereunder;
- To monitor and review the CSR Policy of the Company from time to time; and
- 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.

The brief outline of the Company's CSR initiatives undertaken during the year under review is furnished in **Annexure-IV** in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. 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 – Loss Prevention & Risk Management | Member |
| 5. | Mr. Vikram Bhatia | Sr. 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, 2021; the Board of Directors hereby confirms that:

- in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for that year;
- 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;
- the annual accounts of the Company have been prepared on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively and

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

Vigil Mechanism

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

The 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, 09th January, 2021 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**.

In terms of Section 136 (1) of the Act, 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 for inspection and any member interested in obtaining a copy of the same may write 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. The scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

During the year under review, no options were vested and exercised under the ESOP Scheme 2016.

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, 2021

The Auditors Report for the financial year ended 31st March, 2021 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, 2021

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 2020-21. 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 23rd May, 2020 and the Internal Auditor directly reports to the Audit Committee for functional matters. The Audit Committee reviews internal audit report and controls at its quarterly meetings. 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:

Annual Return

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the Company's website at <http://www.dmartindia.com/investor-relationship>.

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-VII** 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 2020-21 are as follows:

| | |
|--|---|
| No. of Complaints received during the year | 1 |
| Complaints disposed off | 0 |
| No. of complaints pending as on 31.03.2021 | 1 |

Update on Covid-19

During the last quarter of FY 2019-20, COVID-19 spread globally and in India. This had an impact on the business operations of the

Company. Some normalcy was restored as infections reduced and therefore lockdown restrictions were lifted in the country during the second half of the year.

However, towards the end of FY 2020-21, a much stronger second wave of the pandemic with significantly higher infections has been witnessed across the country. The enforcements from authorities at local levels this time are much stricter. Enforcements vary from complete or partial lockdown in several cities and towns, to restricted hours of operations, to store closures on certain days of the week. Several of our stores have also been restricted to sell non-essential products on certain days of the week or for continuous periods. As the country continues to grapple with this situation, we frequently expect such restrictions throughout the country during the year.

The complete extent to which COVID-19 further impacts our business will depend on future developments, which are highly uncertain and cannot be predicted. At the same time, our business continues to rapidly adopt new guidelines announced by the Central Government, State Governments and the local authorities that enables shopping with adequate social distancing and other safety measures.

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;

9. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year and
10. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

ACKNOWLEDGEMENTS AND APPRECIATION

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

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

Ignatius Navil Noronha
Managing Director & CEO
DIN: 01787989

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

Place: Mumbai
Date: 08th May, 2021

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
EmailId:investorrelations@dmartindia.com
Website: www.dmartindia.com

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

I. Objective of the Policy

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

II. Regulatory Framework

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

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 the Companies Act, any other applicable laws with regard to declaration and distribution of dividend. Further, any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company, may also impact the declaration of dividend.
- b) State of Economy: The Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks in case of uncertain or recessionary economic conditions and in situation where the policy decisions of the Government have a bearing on or affect the business of the Company.
- c) Taxation Policy: The tax policy of a country also influences the dividend policy of a company. The rate of tax directly influences the amount of profits available to the Company for declaring dividends.
- d) Capital Markets: In case of unfavorable market conditions, the Board may resort to a conservative dividend pay-out in order to conserve cash outflows and reduce the cost of raising funds through alternate resources.
- e) Dividend pay-out ratios of companies in the same industry.

ANNEXURE I

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 utilized for internal financing of its various activities and for fixed as well as working capital. Thus, the retained earnings shall be utilized for carrying out the main objectives of the Company and maintaining adequate liquidity levels. The decision of utilisation of the retained earnings of the Company shall be based on the following factors:

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

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

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

At present, the issued and paid-up share capital of the Company comprises only equity shares; the Company

does not have different classes of shares. As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

VIII. Procedure

1. Recommendation of final dividend, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
2. The final dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.
3. Interim dividend, if any, shall be declared by the Board. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
4. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.
5. The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to dividend declared by the Company.

IX. Disclosure

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

X. Review and Amendment

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

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

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

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

ANNEXURE II**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES****FORM AOC-1**

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

Part "A": Subsidiaries

| 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 | (₹ in Lakh) |
|----|---|---|---|---|---------------------------------|---|-------------|
| 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 | 29,326.42 | 10.00 | |
| 6 | Reserves and Surplus | 9,662.72 | 2,330.29 | 338.08 | (21,575.39) | (1.45) | |
| 7 | Total Assets | 13,361.39 | 2,688.45 | 1,191.36 | 27,408.15 | 8.73 | |
| 8 | Total Liabilities | 3,318.67 | 357.16 | 843.28 | 19,657.12 | 0.18 | |
| 9 | Investments | Nil | 294.87 | Nil | Nil | Nil | |
| 10 | Turnover | 1,29,615.28 | 1,491.01 | 75.00 | 79,128.81 | Nil | |
| 11 | Profit/Loss before taxation | 2,067.28 | (251.61) | 67.78 | (8,062.06) | (0.77) | |
| 12 | Tax Expense | 487.33 | (61.69) | 14.70 | Nil | Nil | |
| 13 | Profit/Loss after taxation | 1,579.95 | (189.92) | 53.08 | (8,062.06) | (0.77) | |
| 14 | Proposed Dividend | Nil | Nil | Nil | Nil | Nil | |
| 15 | % of shareholding | 100% | 100% | 90% | 99.86% | 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 VenturesNote: The Company does not have any Associate / Joint Venture Company as on 31st March, 2021

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.: FCS 10736

Place: Mumbai
Date: 08th May, 2021

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

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

Additional Criteria for Appointment of Independent Directors

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

Term / Tenure

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

Removal

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

Retirement

The Directors and Key Managerial Personnel, Senior Management Personnel and other employees shall retire as per the provisions

of the applicable Acts, Rules and Regulations and in accordance with the prevailing HR policy of the Company.

Remuneration

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

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

1. Managing Director/Whole-time Director

- i. The overall limits of the remuneration/ compensation/ commission to be paid to the Managing Director/Whole-time Director shall be governed as per provisions of Section 197 of the Companies Act, 2013, rules made there under and Schedule V of the Companies Act, 2013 or any other enactment for the time being in force.
- ii. The remuneration shall be divided in fixed and variable components, if any. The fixed component shall comprise salary, perquisites, allowances, amenities; whereas the variable component consists of performance bonus.
- iii. The annual increments for the CEO and/or the Managing Director/ Whole-time Director shall be carried out by the Board of Directors on prior recommendations of the Committee.

2. Non-Executive Directors

- i. The Non-Executive Directors including Independent Directors shall be paid sitting fees for attending meetings of the Board and the Committee thereof.
- ii. The quantum of the sitting fees shall be recommended by the Nomination and Remuneration Committee to the Board for their approval and that the same shall be within maximum limits as provided under the Companies Act, 2013.
- iii. The Independent Directors shall be paid Commission within the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- iv. Independent Director shall not be eligible for Stock Options.

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 there under or any other enactment for the time being in force.
- ii. The remuneration, performance appraisal and rewards to Senior Management and other employees, shall be in line with the stated objectives.
- 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;

ANNEXURE III

- (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

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

- (i) 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.
- (ii) 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

(As per Annexure II of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021)

1. Brief Outline of 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 consist of education intervention, promoting education and providing educational opportunity to children from socially and economically disadvantaged communities.

The Company has continuously researched to fulfill stakeholders' needs. We believe in improving the quality of life of people in communities and giving precedence to the local areas in our business. With core values of action, care and truth we shall continue to shoulder our social responsibility while executing our business endeavors. The company strongly believes in the interests of the community, hence aims to undertake activities with a focused approach for the marginalised sections in the local communities. The Company has decided to make a real difference to the underprivileged by strengthening government schools, impacting education and inspiring lives.

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 | No. of meetings of CSR Committee held during the year | No. of meetings of CSR Committee attended during the year |
|---------|--------------------------|--------------------------------------|-------------|---|---|
| 1. | Mr. Chandrashekhar Bhave | Non-Executive & Independent Director | Chairman | 4 | 4 |
| 2. | Mr. Ramesh Damani | Non-Executive & Independent Director | Member | 4 | 4 |
| 3. | Mrs. Manjri Chandak | Non-Executive Director | Member | 4 | 4 |
| 4. | Mr. Ramakant Baheti | Executive Director | Member | 4 | 4 |

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: <https://www.dmartindia.com/investor-relationship>

4. Provide the details of Impact Assessment of CSR projects carried out in pursuant of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, if applicable attach the report: The Company takes cognizance of sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014 and has initiated steps to conduct impact assessment of CSR projects through an independent agency from the financial year 2021-22. There are no projects undertaken or completed after January 22, 2021, for which the impact assessment report is applicable in FY 2020-21.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sr. No. | Financial Year | Amount available for set-off from preceding financial years (₹ In Cr) | Amount required to be set- off for the financial year, if any (₹ In Cr) |
|---------|----------------|---|---|
| 1 | 2020-21 | - | 0.94 |
| | TOTAL | - | 0.94 |

6. Average net profit of the Company as per section 135(5): ₹1,485.72 Crores

7.

- (a) **Two percent of average net profit of the Company as per section 135(5):** ₹29.71 Crores
- (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil
- (c) **Amount required to be set off for the financial year, if any:** Nil
- (d) **Total CSR obligation for the financial year (7a+7b- 7c).** : ₹34.65 Crore (₹29.71 Crores for FY 2020-21 and ₹4.94 Crores unspent amount for FY 2019-20)

ANNEXURE IV

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (₹ In Cr) | Total Amount transferred to Unspent CSR Account as per section135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section135(5) | | | Amount Unspent (in ₹) |
|---|--|------------------|--|--------|------------------|-----------------------|
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer | |
| 35.59 | Nil | Nil | Nil | Nil | Nil | Nil |

(b) Details of CSR amount spent against ongoing projects for the financial year:

| Sr. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/ No). | Location of the project. State District. | Project duration | Amount allocated for the project (in ₹ Cr.). | Amount spent in the current financial Year (in ₹ Cr.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹). | Mode of Implementation- Direct (Yes/ No) | Mode of Implementation – Through Implementing Agency | |
|---------|---|--|-----------------------|--|---|--|--|---|--|--|--------------------------------------|
| | | | | | | | | | | 1 | 2 |
| 1 | Education | (ii) | | | | | | | | | |
| | Digital Literacy Programme | | Yes | Maharashtra | Mumbai City, Mumbai Suburban, Thane, Raigad | Min. One Year | 4.60 | 5.12 | NA | Yes | NA |
| | Reading Programme | | Yes | Maharashtra | Mumbai City, Mumbai Suburban, Thane, Raigad | | 1.90 | 2.08 | NA | Yes | NA |
| | English For All | | Yes | Maharashtra | Mumbai, Thane | | 1.10 | 1.10 | NA | Yes | NA |
| | TMC School PPP Model | | Yes | Maharashtra | Thane | | 0.50 | 0.57 | NA | Yes | NA |
| | Remedial Programme | | Yes | Maharashtra | Mumbai Suburban, Thane | | 0.55 | 0.64 | NA | Yes | NA |
| | Science Program | | Yes | Maharashtra | Mumbai Suburban | | 0.13 | 0.03 | NA | No | Anoobhuti Learning Solutions Pvt Ltd |
| | Swachch School Abhiyaan (SSA) | | Yes | Maharashtra | Mumbai City, Mumbai Suburban, Thane | | 0.35 | 0.14 | NA | Yes | NA |
| | BALA Paintings | | Yes | Maharashtra | Mumbai City, Mumbai Suburban, Thane, Raigad | | 0.50 | 0.03 | NA | Yes | NA |
| | Parent Counseling | | Yes | Maharashtra | Mumbai City, Mumbai Suburban, Thane, Raigad | | 0.16 | 0.15 | NA | Yes | NA |
| | Aarey Colony Tab Program | | Yes | Maharashtra | Mumbai | | - | 0.07 | NA | Yes | NA |
| | Program Managers-Design, Implement and Monitoring | | Yes | Maharashtra | Mumbai City, Mumbai Suburban, Thane, Raigad | | 0.60 | 0.36 | NA | Yes | NA |

ANNEXURE IV

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|----------|--------------------------------|--|-----------------------|--------------------------|---|--|--|---|--|--|
| Sr. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | Project duration | Amount allocated for the project (in ₹ Cr.). | Amount spent in the current financial Year (in ₹ Cr.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹). | Mode of Implementation- Direct (Yes/ No) | Mode of Implementation – Through Implementing Agency |
| | | | | State | District. | | | | Name | CSR Registration no. |
| 2 | Sports | (vii) | Yes | Maharashtra | Mumbai City, Mumbai Suburban, Thane, Raigad | Min. One Year | 0.50 | 0.41 | NA | Yes NA NA |
| 3 | Nutrition | (i) | Yes | Maharashtra | Bhiwandi | Min. One Year | 7.50 | 4.47 | NA | No Akshaya Patra Foundation NA |
| 4 | Skills & Livelihood | (ii) | Yes | Maharashtra | Mumbai, Raigad | Min. One Year | 0.08 | 0.05 | NA | No Kherwadi Social Welfare Association NA |
| | | | | | | | | 15.22 | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----------|-------------------------------------|--|-----------------------|--------------------------|--|---|--|
| Sr. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | Amount spent for the project (in ₹ Cr.). | Mode of implementation- Direct (Yes/ No). | Mode of implementation – Through implementing agency |
| | | | | State. | District. | | Name CSR registration no. |
| 1 | Education | (ii) | Yes | Maharashtra | Mumbai City, Mumbai Suburban, Thane | 0.69 | Yes - - |
| | 21 Question paper Sets Distribution | | Yes | Maharashtra | Mumbai City, Mumbai Suburban, Thane | 0.01 | No Adhyayan Quality Education Services Pvt Ltd NA |
| 2 | Sports | (vii) | Yes | Maharashtra | Mumbai City, Mumbai Suburban, Thane | 0.07 | No Sportz Village Foundation NA |
| | Sports Village Foundation | | Yes | Maharashtra | Mumbai City, Mumbai Suburban | 1.00 | Yes NA |
| 3 | Disaster Relief | (xii) | Yes | Maharashtra | Mumbai City, Mumbai Suburban, Thane | 2.29 | Yes - - |
| | Grocery Distribution | | Yes | Maharashtra | Mumbai City, Mumbai Suburban, Thane | | |
| | Donation Covid-19 | | | | | | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--------------|---|--|-----------------------|---|---|---|---|
| Sr. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. State. District. | Amount spent for the project (in ₹ Cr). | Mode of implementation- Direct (Yes/ No). | Mode of implementation - Through implementing agency. Name CSR registration no. |
| 4 | Environment | (iv) | Yes | Maharashtra Yavatmal | 0.51 | Donation | - - |
| | Grant to Isha Outreach River Program | | No | Karnataka Bangalore | 0.06 | Donation | - - |
| 5 | Health | (i) | Yes | Maharashtra Mumbai City | 5.00 | Donation | CanCare Trust NA |
| 6 | Dakshana India Educational Trust | (ii) | Yes | Maharashtra Pune | 2.50 | Donation | Dakshana India Educational Trust NA |
| 7 | D-Mart Foundation | (ii) | Yes | Maharashtra Mumbai Suburban | 6.50 | Donation | D-Mart Foundation NA |
| 8 | Habitat for Humanity India Trust | (iii) | Yes | Maharashtra Palghar | 0.09 | Donation | Habitat for Humanity India Trust NA |
| 9 | Skills & Livelihood | (ii) | No | Andhra Pradesh & Karnataka | 0.63 | No | Teamlease Skills University NA |
| TOTAL | | | | | 19.35 | | |

(d) **Amount spent in Administrative Overheads :** ₹ 1.02 Crores
 (e) **Amount spent on Impact Assessment, if applicable :** Nil
 (f) **Total amount spent for the Financial Year (8b+8c+8d+8e) :** ₹ 35.59 Crores
 (g) **Excess amount for set-off, if any :** ₹ 0.94 Crores

| Sr. No. | Particular | Amount (in ₹ In Cr) |
|---------|---|---------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) - ₹ 29.71 Crores Unspent amount for FY 2019-20- ₹ 4.94 Crores | 34.65 |
| (ii) | Total amount spent for the Financial Year | 35.59 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.94 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 0.94 |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Cr) | Amount spent in the Reporting Financial Year (in ₹ Cr) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (In ₹) |
|--------------|--------------------------|---|--|--|---------------|------------------|--|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| 1 | 2017-18 | NA | - | NA | NA | NA | NA |
| 2 | 2018-19 | NA | - | NA | NA | NA | NA |
| 3 | 2019-20 | NA | 4.94 | NA | NA | NA | NA |
| TOTAL | | | 4.94 | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---------|------------|---------------------|---|------------------|---|--|---|---|
| Sr. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year (In ₹) | Status of the project- Completed /Ongoing |
| Nil | | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s) : NA
- (b) Amount of CSR spent for creation or acquisition of capital asset. : NA
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : NA

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

Ignatius Navil Noronha
Managing Director & CEO
DIN: 01787989
Mumbai

Chandrashekhar Bhave
Chairman of CSR Committee
DIN: 00059856
Bangalore

Date: 08th May, 2021

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 Directors to the median remuneration of all the employees of the Company and details of percentage increase in the remuneration of Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2020-21 are as follows:

| Name of Director and KMP | Designation | Ratio of remuneration of each director to median remuneration of employees | % increase in remuneration in the financial year |
|----------------------------|---------------------------------|--|--|
| Mr. Ramesh Damani | Independent Director | 9.98 | - |
| Mr. Chandrashekhar Bhave | Independent Director | 9.85 | - |
| Ms. Kalpana Unadkat | Independent Director | 9.56 | - |
| Mrs. Manjri Chandak | Non-Executive Director | 2.13 | - |
| Mr. Ignatius Navil Noronha | Managing Director & CEO | 147.04 | - |
| Mr. Ramakant Baheti | Whole-time Director & Group CFO | 33.68 | - |
| Mr. Elvin Machado | Whole-time Director | 27.55 | 12.15 |
| Mr. Niladri Deb | Chief Financial Officer | NA | 14.48 |
| Mrs. Ashu Gupta | Company Secretary | NA | 5.92 |

Notes:

1. Remuneration comprises salary, allowances, Company's contribution to provident fund, taxable value of perquisites.
2. For calculation of median remuneration, the employee count taken is 8,352 which comprises employees who have served for whole of the financial year 2020-21.
3. The percentage increase in the median remuneration of employees other than managerial personnel in the financial year 2020-21 was 7.95 %
4. Average percentage increase made in the salaries of employees other than the key managerial personnel in the financial year was 9.00% whereas the increase in the key managerial personnel remuneration was 4.39%. The increase in remuneration is as per the policy of the Company.
5. The number of permanent employees on the rolls of Company as on 31st March, 2021 was 10,175.
6. The remuneration is as per the Nomination and Remuneration Policy of the Company.
7. 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 for inspection and any Member interested in obtaining a copy of the same may write to Company at investorrelations@dmartindia.com from their registered e-mail address.

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, 2021

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.

We have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation for purpose of issuing this report and based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2021, 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, 2021, according to the provisions of:
 - (i) The Companies Act, 2013 ('the Act') and the rules made thereunder to the extent applicable;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under were not applicable to the Company under the financial year under report.

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

- a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations');
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (iii) 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;
- (iv) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

ANNEXURE VI

- b) Legal Metrology Act, 2009
- c) Food Safety and Standards Act, 2006
- d) Local/Municipality Laws

We have also examined compliance with the applicable clauses of Secretarial Standards-1 and 2 issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013 and during the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the Adjudication Order No. Order/AA/MG/2020-21/8529-8531 dated 31st July, 2020 issued by the SEBI whereby penalty of ₹ 3,00,000/- has been imposed on the Company under the provisions of Section 15A(b) of the SEBI Act and in respect of which the Company has made an appeal to the Securities Appellate Tribunal (SAT) on 12th September, 2020 against the said adjudication order, which is under consideration of the SAT.

We further report that:

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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 review, the Company has redeemed 340 Fully Secured, Un-listed, Redeemable, Rated, Dematerialized, Non-Convertible Debentures issued on private placement basis to HDFC Bank Limited of the face value of ₹ 10,00,000 each aggregating to ₹ 34,00,00,000/- (Rupees Thirty-Four Crore only) on 29th September, 2020.

For Rathi & Associates

Company Secretaries

Himanshu S. Kamdar

Partner

FCS No.: 5171

UDIN: F005171C000260778 CP No.: 3030

Note: This report should be read with our letter of even date 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, 2020;
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 held during the financial year under report;
5. Statutory Registers which are required to be maintained under the Companies Act, 2013
6. Agenda papers submitted to all the Directors/members for the Board meeting and the Committee Meetings;
7. Declarations/ Disclosures received from the Directors/ Secretary of the Company pursuant to the provisions of 184, 164 and 149(7) of the Companies Act, 2013;
8. Intimations received from Directors and Designated Employees under the Internal Code for Prevention of Insider Trading;
9. e-Forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
10. Intimations/documents/reports/returns filed with the Stock Exchanges pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during year under report.
11. Various Policies made under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
12. Circular resolutions passed by the Board of Directors and members of Audit Committee during the said audit period under review.

ANNEXURE-B

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

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 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 Accounts 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

Date: 8th May, 2021
 Place: Mumbai
 UDIN: F005171C000260778

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

ANNEXURE VII

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, in its efforts to conserve energy, adequate measures have been taken in the new and the pre-existing stores. Some of these initiatives are:

Green Building Certification

We strive to obtain Green Building Certification for our stores under Indian Green Building Council (IGBC) or US Green Building Council (USGBC). 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. This year we have further obtained Gold Certified Green Building Certification for 24 additional buildings & 1 Silver Certified Green Building Certification; taking our total to 99 buildings. This certification is issued by the Indian Green Building Council (IGBC) for 95 of our buildings and U.S Green Building Council (USGBC) for 4 of our buildings.

Under this certification we have initiated the following measures in our operations:

- We have 102 stores with solar panels installed on their rooftops and 1 Carport (Solar Panels above Car Parking). Solar energy installed capacity is increased to 9.5 MW against 7.0 MW for last year. This is achieved by Installation of Solar Plants at several existing and new stores. Collectively, 17% of our total power requirement at these stores was met through Solar Power.
- We have transitioned to the energy efficient LED lighting system in our operations replacing the conventional lighting system.
- We have installed solar tubes at one of our stores to enhance energy conservation.
- We have installed BEE 5-Star Rated Split Air Conditioning units continues in all offices to reduce overall energy consumption.
- CFC-Free Refrigerants are used in our Air Conditioning Equipment to reduce emission of greenhouse gases.

Steps taken by the Company for utilizing alternate sources of energy

We have 102 stores with solar panels installed on their rooftops and 1 Carport (Solar Panels above Car Parking). Solar energy installed capacity is increased to 9.5 MW against 7.0 MW for last year. This is achieved by Installation of Solar Plants at several existing and new stores. Collectively, 17% of our total power requirement at these stores was met through Solar Power.

Capital investment on energy conservation equipment

₹ 8.30 Crores

(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

| Particulars | Financial year 2020-21 | Financial year 2019-20 |
|----------------------------------|------------------------|------------------------|
| Actual Foreign Exchange earnings | 0.01 | 5.04 |
| Actual Foreign Exchange outgo | 440.45 | 626.27 |

(₹ in crore)

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

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

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

A well-informed Board is an important facet of responsible behavior. On a regular basis, the Board members of the Company are apprised of all the vital issues that it comes

across and the remedial actions taken in this regard. Through this robust Corporate Governance mechanism that interlinks values, ethics and positive culture, the Company aims to achieve long-term sustainability.

2. BOARD OF DIRECTORS

The Board of Directors of the Company comprises of seven Directors, of which three are Executive Directors, one Non-executive 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, 2021 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 | - | 2 | 1. Eris Lifesciences Limited | Non-Executive Independent Director |
| Mrs. Manjri Chandak (DIN: 03503615) | Non-Executive, Non-Independent Director | 3 | 1 | - | - | - |

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

Note:

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

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

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

None of the Directors on the Board serve as Director or Independent Director in more than seven listed companies. Further, there are no Directors on the Board of the Company, who serve as Whole-time Director/ Managing Director with any other listed company. No Director is a member of more than ten Committees or acts as the 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, 2021

| 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 | 13,126,235 | 2.03 |
| Mr. Ramakant Baheti | Executive Director | 2,739,107 | 0.42 |
| Mr. Elvin Machado | Executive Director | 314,000 | 0.05 |

Board Meetings

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

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

23rd May, 2020, 11th July, 2020, 17th October, 2020, 09th January, 2021 and 13th March, 2021. The Twentieth Annual General Meeting of the Shareholders of the Company was held on Tuesday, 01st September, 2020.

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 01 st September, 2020 |
|----------------------------|--|-------------------------|--|
| | Meetings held during the Director's tenure | Board Meetings attended | |
| Mr. Ramesh Damani | 5 | 5 | Yes |
| Mr. Chandrashekhar Bhave | 5 | 5 | Yes |
| Ms. Kalpana Unadkat | 5 | 5 | Yes |
| Mrs. Manjri Chandak | 5 | 5 | Yes |
| Mr. Ignatius Navil Noronha | 5 | 5 | Yes |
| Mr. Ramakant Baheti | 5 | 5 | Yes |
| Mr. Elvin Machado | 5 | 5 | Yes |

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, 09th January, 2021. 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 Programmes

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

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

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

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

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

| Core skills/ expertise/ competencies | Name of Director |
|--------------------------------------|--|
| Operations | <ul style="list-style-type: none"> • Store Operations |
| | Mr. Ignatius Navil Noronha Mrs. Manjri Chandak Mr. Elvin Machado |
| Human Resources | <ul style="list-style-type: none"> • Human Resources |
| | Mr. Ignatius Navil Noronha Mrs. Manjri Chandak Mr. Elvin Machado |
| Supply Chain | <ul style="list-style-type: none"> • Supply Chain |
| | Mr. Ignatius Navil Noronha Mrs. Manjri Chandak Mr. Elvin Machado |
| Finance | <ul style="list-style-type: none"> • Finance |
| | Mr. Chandrashekhar Bhave Mr. Ramesh Damani Mr. Ramakant Baheti Mrs. Manjri Chandak |
| Legal | <ul style="list-style-type: none"> • Legal |
| | Mr. Chandrashekhar Bhave Ms. Kalpana Unadkat Mr. Ramakant Baheti |
| Compliance/ Corporate Governance | <ul style="list-style-type: none"> • Compliance/ Corporate Governance |
| | Mr. Chandrashekhar Bhave Ms. Kalpana Unadkat Mr. Ignatius Navil Noronha Mr. Ramakant Baheti |
| Business Development | <ul style="list-style-type: none"> • Business Development |
| | Mr. Ignatius Navil Noronha Mr. Ramakant Baheti Mr. Elvin Machado |
| Information Technology | <ul style="list-style-type: none"> • 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, 2021; 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 judgment by management;
- iv. Significant adjustments made in the financial statements arising out of audit findings;
- v. Compliance with listing and other legal requirements relating to financial statements;
- vi. Disclosure of any related party transactions; and
- vii. Modified opinion(s) in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Monitoring the end use of funds raised through public offers and related matters;
- m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- o) Discussion with internal auditors of any significant findings and follow up thereon;
- p) Reviewing the findings of any internal investigations by the internal auditors into matters of where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- s) To establish and review the functioning of the whistle blower mechanism;
- t) Approval of appointment of Chief Financial Officer (i.e. the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, and background, etc. of the candidate;
- u) Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority;
- v) Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters / letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations;
- w) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 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 and
- 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 2020-21, six Audit Committee meetings were held. The meetings were held on 23rd May, 2020, 11th July, 2020, 17th October, 2020, 09th January, 2021, 13th March, 2021 and 31st March, 2021. 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 | 3 | 3 |
| Mrs. Manjri Chandak* | Member | 3 | 3 |

*Mr. Ramakant Baheti ceased to be a member of Audit Committee & Mrs. Manjri Chandak was appointed as Audit Committee member w.e.f. 17th October, 2020.

individual Directors. Besides, it recommends remuneration policy for Directors, Key Managerial Personnel and the Senior Management of the Company.

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

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 23rd May, 2020, 11th July, 2020, 17th October, 2020 and 09th January, 2021. 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 judgment in major decisions of the Company.

5. REMUNERATION OF DIRECTORS

a) Criteria of making payments to Non-Executive Directors

Sitting Fees

The Non-executive Directors are entitled to sitting fees for attending the meetings of the Board of Directors and

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

Commission

The shareholders of the Company at their annual general meeting held on 6th September, 2017 approved payment to Independent Directors of the Company on annual basis, by way of commission, the aggregate of which shall not exceed one percent of the net profits of the Company per annum computed in the manner prescribed under section 198 of the Companies Act, 2013, in such amount and proportion and in such manner as may be determined by the Board of Directors from time to time, in addition to the sitting fees for a period of five years commencing from 01st 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 2020-21 are as under:

| Names of Non-Executive Directors | (Amount in ₹) | |
|----------------------------------|---------------|------------|
| | Sitting Fees | Commission |
| Mr. Ramesh Damani | 6,90,000 | 24,00,000 |
| Mr. Chandrashekhar Bhave | 6,50,000 | 24,00,000 |
| Ms. Kalpana Unadkat | 5,60,000 | 24,00,000 |
| Mrs. Manjri Chandak | 6,60,000 | - |

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 2020-21 are as follows:

| Name | Designation | Basic Salary | Company's contribution to provident fund | Perquisites | Variable | Gross Remuneration |
|----------------------------|---------------------------------|--------------|--|-------------|----------|--------------------|
| Mr. Ignatius Navil Noronha | Managing Director & CEO | 43,818,000 | 1,699,836 | 18,000 | - | 4,55,35,836 |
| Mr. Ramakant Baheti | Whole-time Director & Group CFO | 10,038,000 | 390,960 | - | - | 1,04,28,960 |
| Mr. Elvin Machado | Whole-time Director | 7,042,056 | 289,224 | - 1,200,000 | - | 85,31,280 |

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 01st February, 2016 upto 31st January, 2021. At the Annual General Meeting held on 1st September, 2020, he was further re-appointed for a period of five years from 1st February, 2021.

Mr. Ramakant Baheti was re-appointed as a Whole-time Director of the Company for a period of five years from 01st May, 2019 upto 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 upto 09th June, 2021. At the Annual General Meeting held on 1st September, 2020, he was further re-appointed for a period of five years from 10th June, 2021.

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

Employee Stock Options

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

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

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Board was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. This Committee deals with stakeholder relations and grievances raised by the investors in a timely and effective manner and to the satisfaction of investors. The Committee oversees

performance of the Registrar and Share Transfer Agents of the Company relating to investor services and recommends measures for improvement.

Mrs. Manjri Chandak, Non-executive Director is the Chairperson of the Committee and Mrs. Ashu Gupta, Company Secretary is the Compliance Officer of the Company pursuant to Regulation 6 of the Listing Regulations.

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

- a) Investor relations and redressal of grievances of security holders of the Company in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet etc;
- b) Approve requests for security transfers and transmission and those pertaining to rematerialisation of securities / subdivision/ consolidation of shares, issue of renewed and duplicate share/debenture certificates etc;

- c) Resolving the grievances of the shareholders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, general meetings, etc;
- d) Review of measures taken for effective exercise of voting rights by shareholders;
- e) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- f) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company and
- 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, 2021, four meetings of Stakeholders Relationship Committee were held i.e. on 22nd June, 2020, 08th October, 2020, 07th January, 2021 and 24th February, 2021. 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 | 4 | 4 |
| Mr. Ramesh Damani | Member | 4 | 4 |
| Mr. Ramakant Baheti | Member | 4 | 4 |

Investor Complaints

The details of investor complaints received / redressed during the financial year 2020-21 is as under:

| Complaints as on 01.04.2020 | Received during the year | Resolved during the year | Pending as on 31.03.2021 |
|-----------------------------|--------------------------|--------------------------|--------------------------|
| 0 | 3 | 3 | 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 Board of Directors at their meeting held on 13th March, 2021 revised the terms of reference of the CSR committee.

Terms of reference of the CSR Committee are as follows:

- a) To formulate CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and recommend same to the Board;
- b) To recommend the amount of expenditure to be incurred on CSR activities;

- c) To recommend annual action plan to Board of Directors of the Company in pursuance to the CSR policy and any modification as may be required;
- d) To implement and monitor the CSR activities of the Company, which shall be in compliance with CSR objectives and Policy of the Company;
- e) To provide a report on CSR activities to the Board of the Company periodically;
- f) To undertake impact assessment, if required through an independent agency as per the requirements of Companies Act, 2013 and CSR rules made thereunder;
- g) To monitor and review the CSR Policy of the Company from time to time; and

h) 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 four times during the year ended 31st March, 2021 on 23rd May, 2020, 17th October, 2020, 09th January, 2021 and 13th March, 2021. 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 |
| Mr. Ramakant Baheti | Member | 4 | 4 |

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 15th September, 2020 and 15th February, 2021. 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 ₹ 1800 Crore in a financial year;
- b) To authorize 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 finalize the terms and conditions thereof and to authorize any of the Officials of the Company to execute necessary documents to avail the facilities from time to time;
- c) To authorize such Officials of the Company to open bank accounts on behalf of the Company with any nationalized / scheduled / foreign banks and authorize 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 authorize any Officer to change the authorized signatories and/or close such bank accounts as maybe deemed fit from time to time;
- d) To authorize 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 / authorize 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 authorize 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 authorize 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 authorize 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 authorize 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 authorize 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 authorized 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 |

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 |
|--------------------------|---|--|--|
| 2019-20 | Tuesday, 01 st September, 2020, at 11:00 A.M. | Through Video Conferencing (VC) or other audio visual means (OVAM) | Re-appointment of Mr. Chandrashekhar Bhave as Independent Director of the Company for a second consecutive term of five years w.e.f. 17 th May, 2021. |
| 2018-19 | Tuesday, 20 th August, 2019, at 11:00 A.M. | Nehru Centre Auditorium, Discovery of India Building, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai- 400 018 | <ul style="list-style-type: none"> • To offer and issue secured, rated, cumulative, redeemable, non-convertible debentures aggregating upto ₹ 1,500 crore on private placement basis. • To issue 25,00,000 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, 28 th August, 2018, at 11:00 A.M. | Nehru Centre Auditorium, Discovery of India Building, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai- 400 018 | <ul style="list-style-type: none"> • To offer and issue secured, rated, cumulative, redeemable, non-convertible debentures aggregating upto ₹ 1,500 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. |
| Website | These results were also placed on the Company's website http://www.dmartindia.com . All the information and disclosures required to be disseminated as per Regulation 46(2) of the Listing Regulations and Companies Act, 2013 are being posted at Company's website: http://www.dmartindia.com . The official news releases and presentations to the institutional investors or analysts, if made any are disseminated to the Stock Exchange at www.nseindia.com and www.bseindia.com and the same is also uploaded on the website of the Company www.dmartindia.com |
| Designated E-mail address for investor services | To serve the investors better and as required under Listing regulations, the designated e-mail address for investors complaints is investorrelations@dmartindia.com |

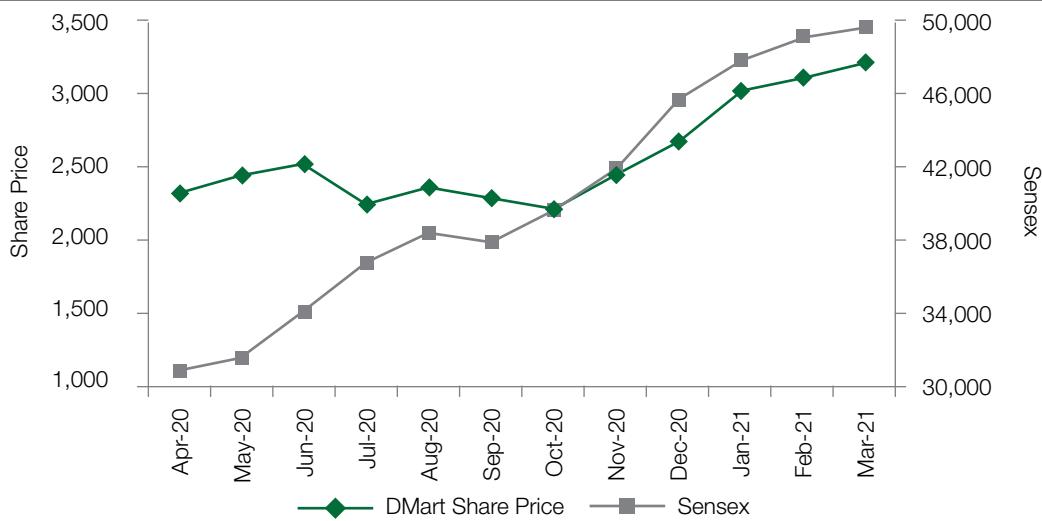
13. GENERAL SHAREHOLDER INFORMATION

| | |
|---|---|
| AGM date, time and venue | Tuesday, 17 th August, 2021, 11:00 a.m. by way of video conferencing/ other audio visual means |
| Financial Year | April to March |
| Book Closure Date | Wednesday, 11 th August, 2021 to Tuesday 17 th August, 2021 (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 2021-22 have been paid to the respective Stock Exchanges. |
| Share Registrar and Transfer Agents | Link Intime India Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India Tel No.: +91-22-4918 6270 Fax No.: +91-22-4918 6060 Investor query registration: rnt.helpdesk@linkintime.co.in |
| Debenture Trustees | IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001 |
| Company Secretary & Compliance officer | Mrs. Ashu Gupta |

Market Price Data

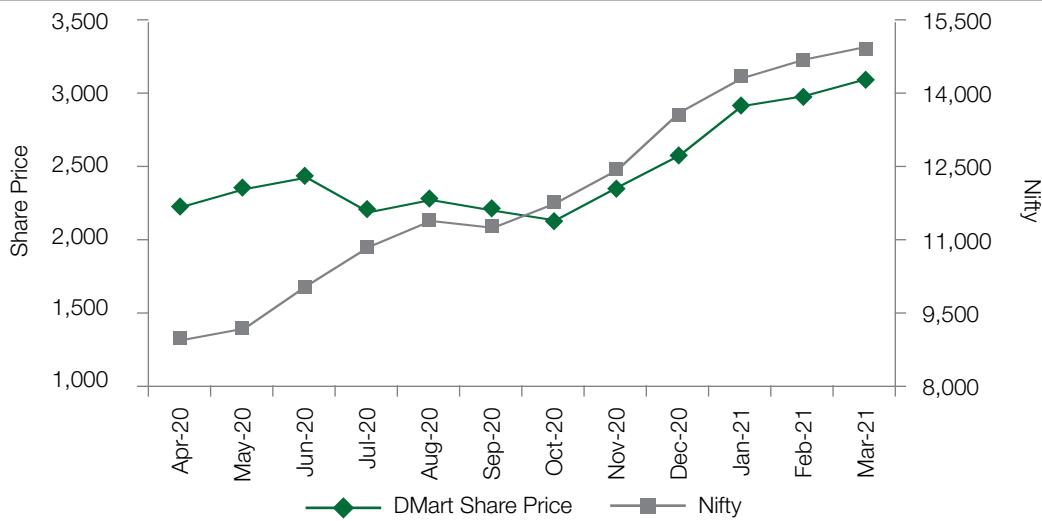
The high and low prices and volumes of your Company's shares at BSE for the financial year 2020-21 are as under:

| Month (2020-21) | BSE | | SENSEX | | No. of shares transacted |
|--------------------|----------|----------|-----------|-----------|-----------------------------|
| | High | Low | High | Low | |
| April 2020 | 2,414.60 | 2,010.00 | 33,887.25 | 27,500.79 | 411,030 |
| May 2020 | 2,530.00 | 2,124.00 | 32,845.48 | 29,968.45 | 345,211 |
| June 2020 | 2,526.80 | 2,275.00 | 35,706.55 | 32,348.10 | 795,137 |
| July 2020 | 2,384.95 | 1,900.00 | 38,617.03 | 34,927.20 | 1,432,878 |
| August 2020 | 2,448.00 | 2,054.00 | 40,010.17 | 36,911.23 | 950,291 |
| September 2020 | 2,367.85 | 1,996.10 | 39,359.51 | 36,495.98 | 548,849 |
| October 2020 | 2,276.00 | 1,949.30 | 41,048.05 | 38,410.20 | 966,112 |
| November 2020 | 2,505.00 | 2,161.95 | 44,825.37 | 39,334.92 | 593,801 |
| December 2020 | 2,780.00 | 2,311.00 | 47,896.97 | 44,118.10 | 2,248,413 |
| January 2021 | 3,130.05 | 2,610.80 | 50,184.01 | 46,160.46 | 1,829,329 |
| February 2021 | 3,270.00 | 2,638.00 | 52,516.76 | 46,433.65 | 850,243 |
| March 2021 | 3,328.00 | 2,775.00 | 51,821.84 | 48,236.35 | 725,876 |

Avenue Supermarts Price Movement Chart—BSE

The high and low prices and volumes of your Company's shares at NSE for the financial year 2020-21 are as under:

| Month (2020-21) | NSE | | NIFTY | | No. of Shares transacted |
|--------------------|----------|----------|-----------|-----------|-----------------------------|
| | High | Low | High | Low | |
| April 2020 | 2,392.65 | 2,020.00 | 9,889.05 | 8,055.80 | 6,050,871 |
| May 2020 | 2,519.95 | 2,126.55 | 9,598.85 | 8,806.75 | 10,623,922 |
| June 2020 | 2,527.00 | 2,274.00 | 10,553.15 | 9,544.35 | 9,244,006 |
| July 2020 | 2,385.30 | 1,955.00 | 11,341.40 | 10,299.60 | 23,671,356 |
| August 2020 | 2,445.00 | 2,060.30 | 11,794.25 | 10,882.25 | 12,095,523 |
| September 2020 | 2,367.85 | 1,995.10 | 11,618.10 | 10,790.20 | 14,721,742 |
| October 2020 | 2,278.90 | 1,954.85 | 12,025.45 | 11,347.05 | 17,739,378 |
| November 2020 | 2,507.95 | 2,163.00 | 13,145.85 | 11,557.40 | 10,354,409 |
| December 2020 | 2,780.00 | 2,315.00 | 14,024.85 | 12,962.80 | 15,249,495 |
| January 2021 | 3,137.00 | 2,610.00 | 14,753.55 | 13,596.75 | 13,926,148 |
| February 2021 | 3,242.00 | 2,640.00 | 15,431.75 | 13,661.75 | 11,131,749 |
| March 2021 | 3,330.00 | 2,775.00 | 15,336.30 | 14,264.40 | 11,030,477 |

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) the prescribed Forms SH-13/SH-14.

Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank

details, email address, nomination and power of attorney should be given directly to the Depository Participant (DP).

Shares held in Physical Form

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

Shareholding pattern of the Company as on 31st March, 2021

| Category of Shareholders | No. of shares | % of Total Shares |
|---|--------------------|-------------------|
| A. PROMOTERS | 485,747,156 | 74.99 |
| B. PUBLIC SHAREHOLDING | | |
| Mutual Funds | 39,333,527 | 6.07 |
| Banks | 45,969 | 0.01 |
| Insurance Companies | 2,508,565 | 0.39 |
| Foreign Portfolio Investor | 65,871,016 | 10.17 |
| Alternate Investment Funds | 763,898 | 0.12 |
| Individuals | 50,552,165 | 7.80 |
| NBFCs | 25,851 | 0.00 |
| Trust | 4,317 | 0.00 |
| Hindu Undivided Family | 538,991 | 0.08 |
| Non Resident Indians | 659,671 | 0.10 |
| Foreign Portfolio Investor (Individual) | 315 | 0.00 |
| Clearing Member | 294,637 | 0.05 |
| Bodies Corporate | 1,428,613 | 0.22 |
| Total(A+B) | 647,774,691 | 100.00 |

Distribution of Shareholding

Distribution of shareholding of shares of your Company as on 31st March, 2021 is as follows:

| No. of Equity Shares Held | No. of Shareholders | % of Total Shareholders | Total Shares for the Range | % of Issued Capital |
|---------------------------|---------------------|-------------------------|----------------------------|---------------------|
| 1-500 | 309,630 | 98.29 | 10,049,533 | 1.55 |
| 501-1000 | 2173 | 0.69 | 1,569,258 | 0.24 |
| 1001-2000 | 1077 | 0.34 | 1,528,844 | 0.24 |
| 2001-3000 | 413 | 0.13 | 1,025,630 | 0.16 |
| 3001-4000 | 234 | 0.07 | 818,824 | 0.13 |
| 4001-5000 | 183 | 0.06 | 843,080 | 0.13 |
| 5001-10000 | 396 | 0.13 | 3,023,101 | 0.47 |
| 10001 and above | 918 | 0.29 | 628,916,421 | 97.09 |
| Total | 315,024 | 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 98.02% of the Company's Share Capital are dematerialised as on 31st March, 2021.

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

| Physical and Dematerialised Shares as on 31 st March, 2021 | Shares | % of Total Issued Capital |
|---|---------------------|---------------------------|
| No. of Shares held in dematerialised form in CDSL | 496,211,118 | 76.60 |
| No. of Shares held in dematerialised form in NSDL | 138,772,383 | 21.42 |
| No. of Physical Shares | 12,791,190 | 1.98 |
| Total | 64,77,74,691 | 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. Hirinandani Foundation School, Powai,
 Mumbai - 400 076
 Tel No.: 022 40496500

C. Corporate Office Address

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

Green Initiative

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

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DP. 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

SEBI vide Adjudication Order No. Order/AA/MG/2020-21/8529-8531 dated 31st July, 2020 imposed a penalty of ₹ 3,00,000/- on the Company under the provisions of Section 15A(b) of the SEBI Act, 1992 for violation of regulation 7(2) (b) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 on account of delay in filing a disclosure by employee to the Company.

The Company has made an appeal to the Securities Appellate Tribunal (SAT) on 12th September, 2020 against the said adjudication order, which is under consideration of SAT.

C. Disclosure of Vigil Mechanism/ Whistle Blower Policy and access to the Chairman of the Audit Committee

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

During the financial year 2020-21, the Company had received 4 (four) complaints pursuant to Whistle Blower/ Vigil Mechanism Policy and the same were disposed off. One complaint which was pending to be disposed off in financial year 2019-20, was also disposed off during the year.

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: <http://www.dmartindia.com/investor-relationship>.

The Audit Committee reviews the financial statements and in particular, the investments made by the unlisted

subsidiary companies. The minutes of the Board meetings of the subsidiaries are placed at the meeting of the Board of Directors of the Company. The management of the unlisted subsidiary periodically brings to the notice of the Board of Directors of the Company a statement of all significant transactions and arrangements entered into by the unlisted subsidiary, if any.

E. Policy on materiality and dealing with Related Party Transactions

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions in line with the requirements of Section 177 (4) (iv) and 188 of the Act, read with Rules framed thereunder and the Listing Regulations, which was revised and approved by the Board of Directors of the Company at their meeting held on 9th January, 2021. This Policy has been posted on the website of the Company at the Web link: <http://www.dmartindia.com/investor-relationship>.

F. Code of Fair Disclosure of Unpublished Price Sensitive Information

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

G. Disclosure in relation to Sexual 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, 2021 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, 2021 is given in the Directors' Report.

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

The details of utilization of funds raised through Qualified Institutional Placement as on 31st March, 2021 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 2020-21.

| Particulars | (₹ in crore) |
|---------------------------------|--------------|
| Amount (including GST) | |
| Audit Fees | 0.81 |
| Other Services/ certifications* | 0.53 |
| Reimbursement of expenses | 0.01 |
| Total** | 1.35 |

* 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, 2021.
- 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, 2021.

For Avenue Supermarts Limited

Ignatius Navil Noronha
 Managing Director & CEO
 DIN: 01787989

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

Due to Covid 19 and subsequent lockdown situations, we have conducted online verification & examination of 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"), for the purpose of issuing this certificate in accordance with Regulation 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 on 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 ended 31st March, 2021, have been debarred or disqualified from being appointed or continuing as Director of the companies by the Securities and 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. | Ms. 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: 8th May, 2021
UDIN: F005171C000260789

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 March 31, 2021 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: Mumbai
Date: 08th May, 2021

For Avenue Supermarts Limited

Niladri Deb
Chief Financial Officer

Place: Mumbai
Date: 08th May, 2021

Certificate on Corporate Governance

To,
The Members of
Avenue Supermarts Limited

We have conducted online verification & examination, due to Covid 19 and subsequent lockdown situations for the purpose of issuing this certification for compliance of conditions of Corporate Governance by **Avenue Supermarts Limited** ('the Company') for the financial year ended March 31, 2021, 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 **Rathi & Associates**
Company Secretaries

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

Place: Mumbai
Date: 8th May, 2021
UDIN: F005171C000260833

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 – 400076.

Corporate Office Address: B-72/72A, Wagle Industrial Estate, Road No. 33, Kamgar Hospital Road, Thane – 400604.

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

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

6. **Financial Year Reported:** Financial year 2020-21

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, 2021, the Company carries out its business operations through 234 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):** ₹ 23,787.20 crore

3. **Total Profit after Taxes (INR):** ₹ 1,165.31 crore

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%):** ₹ 35.59 crore, 2.39% 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 BRS

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 Ghia |
| 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)

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 is published annually. The Annual Report is available at www.dmartindia.com under the section Investor Relations.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

ASL as an organization is conscious about all complaints received from its stakeholders. Through a formal mechanism we address each complaint. Due care is taken to maintain complete confidentiality of 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 required.

| Opening Balance | Received (FY 2020-21) | % of complaints resolved (FY 2020-21) |
|-----------------|-----------------------|---------------------------------------|
| 77 | 58 | 12% |

SECTION E: PRINCIPLE WISE PERFORMANCE

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

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Company has incorporated a policy on Ethics, Transparency & Accountability which is applicable to its Employees, Directors, Business Partners, Business Associates and other relevant stakeholders to conduct business ethically and transparently.

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

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

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, labeling are adhered to along with periodic internal quality control checks.

We have undertaken a pilot project to scientifically dispose the plastic packaging waste in our production centers. The plastic packaging waste (pre-consumer) generated at our production / packaging units is segregated at source and stored in a covered place. This waste is then recycled into plastic pellets for further use.

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?

ASL understands the global issue of climate change and has incorporated possible actions to address it. We strive to obtain Green Building Certification for our stores under Indian Green Building Council (IGBC) or US Green Building Council (USGBC). This year we have further obtained Gold Certified Green Building Certification for 24 additional buildings & 1 Silver Certified Green Building Certification; taking our total to 99 buildings. This certification is issued by the Indian Green Building Council (IGBC) for 95 of our buildings and U.S Green Building Council (USGBC) for 4 of our buildings. 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.

- Increase in use of renewable energy by installation of solar plants on rooftop and car ports.
- Use of energy efficient LED lighting system for the existing and new stores.
- Reduce the depletion of groundwater by developing rainwater harvesting pits to collect rainwater run-off and harvest it (through groundwater recharge).
- Reduce use & wastage of fresh water by installation of water-efficient fixtures that consume lesser water than the conventional ones.
- Recycling of waste water after treatment through in-house sewage treatment plants reducing fresh water requirement for flushing.
- Use of AAC Blocks with recycled content material in construction.

We have undertaken a pilot project to scientifically dispose the plastic packaging waste in our production centers. The plastic packaging waste (pre-consumer) generated at our production / packaging units is segregated at source and stored in a covered place. This waste is then recycled into plastic pellets for further use.

(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.
- To reduce the packaging consumption by light weighting the packaging, the traditional tubs (made of board) used for serving popcorn are replaced by paper pouches. These pouches weigh 1/3rd of the tubs.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.

The Company has a structured procedure which is followed before collaborating with any business partners/ associates. Our team visits their facilities to assess and evaluate them on health and safety parameters.

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

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company believes in inclusive growth and encourages local sourcing wherever possible. Local suppliers/ vendors are evaluated based on the quality parameters set by the Company.

5. Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products? Provide details thereof, in about 50 words or so.

Owing to the nature of our business we generate very limited amount of waste. 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 wellbeing of all employees

1. Please indicate the total number of employees.

Total number of permanent employees is 10,175.

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

The total number of employees hired on contractual basis is 36,869.

3. Please indicate the number of permanent women employees.

Total number of permanent women employees is 2,276.

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

Total number of permanent employees with disability is 14.

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 labour, child labour 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 2020-21 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 | 1 |
| 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 organizes several training programs for its employees through functional modules. The training content is based on the roles and responsibilities performed by the employees in different grades and departments.

The details of trainings conducted during the financial year 2020-21 are as follows:

| Employee category | % of employees that were given safety training* | % of employees that were given skill up-gradation training* |
|--|---|---|
| Permanent employees | 66% | 62% |
| Permanent women employees | 74% | 66% |
| Casual/ Temporary/ Contractual Employees | 47% | 100% |
| Employees with disability | 26% | 79% |

* There was significant disruption for all trainings during Q1 and Q2 of FY 2020-21 due to Covid-19. In the initial period we also faced challenges of device availability and appropriate connectivity at all locations. Gradually, from Q3 onwards we have moved most of our training modules on a virtual platform and therefore training numbers for Q3 and Q4 of FY 2021 are significantly higher than the average for the entire year.

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

1. Has the Company mapped its internal and external stakeholders? Yes/ No

Yes, ASL has identified and mapped all its key internal and external stakeholders and same are mentioned below:

- a) Customers
- b) Employees
- c) Business Partners/Associates
- d) Shareholders
- e) Regulatory Authorities/Bodies
- f) Local Communities in the areas that we operate in

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

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

One of our key CSR focus areas is on enhancing the quality of education in municipal schools. Our interventions provide support to these schools within the state curriculum framework by enhancing the quality of teaching methodology so that student learning outcomes are better. Our programme currently supports students from 6 Municipal Corporations of Mumbai Metropolitan Region (Mumbai, Thane, Navi Mumbai, Panvel, Mira Bhayander and Kalyan Dombivali).

Schools and other learning spaces were shut through most of the year due to the pandemic. Therefore, there was a significant shift in the learning system to virtual means through the use of audio, video and e-books as learning aids.

The transition from physical mode of teaching to virtual was overwhelming for students and educators alike across the country but it was even more acute in our context as most of the students we support come from economically weaker backgrounds. They grappled with challenges like a non-conducive learning environment at homes, device unavailability, poor internet connectivity and a looming existential crisis due to loss of livelihoods of some of the families. Several families migrated back to their villages.

We mobilised our resources from different programmes such as Reading Programme, English For All, Digital Literacy Programme and Sports Programme to support our students virtually. We collaborated with the school authorities and assisted them in setting up virtual learning environments and creating online appropriate content to the best of our abilities.

We continued our support for two of our other existing programmes during the year:

- a) Parents Outreach Programmes: We connected with several parents and reiterated the importance of education, the need for proactive parental involvement in these crucial times and various ways in which parents can provide a conducive learning environment at home.
- b) Public Private Partnership (PPP) model Schools: We have adopted two public schools since the last four years. Our teachers constantly supported students virtually through innovative and improvised pedagogy led by teachers and extra-curricular activities led by students.

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 2020-21, 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 strive to obtain Green Building Certification for our stores under Indian Green Building Council (IGBC) or US Green Building Council (USGBC). This year we have further obtained Gold Certified Green Building Certification for 24 additional buildings & 1 Silver Certified Green Building Certification; taking our total to 99 buildings. This certification is issued by the Indian Green Building Council (IGBC) for 95 of our buildings and U.S Green Building Council (USGBC) for 4 of our buildings. 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. We have taken following initiatives under this certification to follow environmentally friendly practices:

- **Water conservation programme:** Water is a critical resource to conserve. To reduce fresh water requirements, we have taken various initiatives like

- Installation of water efficient fixtures in all its green buildings.
- 74 Sewage Treatment Plants with a cumulative capacity of 770 Kilo liters of water per day are installed across our premises to treat and recycle waste water for flushing and gardening.
- 174 rainwater harvesting pits across our premises to collect rainwater run-off and harvesting it through ground water recharge.

• Energy conservation:

- **Renewable Energy Usage:** We have installed solar panels on roof tops at existing and new stores. 102 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 9.5 MW. Collectively, 17% of our total power requirement at these stores was met through Solar Power.
- **Energy efficient lightings:** For conservation of energy we use LED lighting fixtures and have also tried usage of solar tubes at one of our stores.
- **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.

- **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 Sustainable materials for construction:** Sustainability is by design for construction of stores. We encourage local sourcing and use of AAC blocks with Recycled content in place of conventional building materials.

- **Ready Mix Concrete:** We strive to procure RMC from a location which is close to our site, reducing its transportation and thus emissions. Additionally, we encourage usage of fly-ash (within permitted limits) in RMC which is used in construction of 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 believes in clean energy from renewable resources and has been investing in renewable energy and improving energy efficiency as detailed below:

- Solar Plant: ASL has installed solar panels on roof tops at existing and new stores. 102 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 9.5 MW. This initiative partially reduces the consumption of grid energy thus helping conservation of natural resources. Collectively, 17% of our total power requirement at these stores was met through Solar Power.
- 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.
- Energy efficient lightings: For conservation of energy we use LED lighting fixtures and have also tried usage of solar tubes at one of our stores.

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 2020-21.

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.

One of our key CSR focus areas is on enhancing the quality of education in municipal schools. Our interventions provide support to these schools within the state curriculum framework by enhancing the quality of teaching methodology so that student learning outcomes are better. Our programme currently supports students from 6 Municipal Corporations of Mumbai Metropolitan Region (Mumbai, Thane, Navi Mumbai, Panvel, Mira Bhayander and Kalyan Dombivali).

Schools and other learning spaces were shut through most of the year due to the pandemic. Therefore, there was a significant shift in the learning system to virtual means through the use of audio, video and e-books as learning aids.

The transition from physical mode of teaching to virtual was overwhelming for students and educators alike across the country but it was even more acute in our context as most of the students we support come from economically weaker backgrounds. They grappled with challenges like a non-conducive learning environment at homes, device unavailability, poor internet connectivity and a looming existential crisis due to loss of livelihoods of some of the families. Several families migrated back to their villages.

We mobilised our resources from different programmes such as Reading Programme, English For All, Digital Literacy Programme and Sports Programme to support our students virtually. We collaborated with the school authorities and assisted them in setting up virtual learning environments and creating online appropriate content to the best of our abilities.

We continued our support for two of our other existing programmes during the year:

- a) Parents Outreach Programmes: We connected with several parents and reiterated the importance of education, the need for proactive parental involvement in these crucial times and various ways in which parents can provide a conducive learning environment at home.
- b) Public Private Partnership (PPP) model Schools: We have adopted two public schools since the last four years. Our teachers constantly supported students virtually through innovative and improvised pedagogy led by teachers and extra-curricular activities led by students.

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

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

4. **What is your company's direct contribution to community development projects amount in INR and the details of the projects undertaken.**
 The Company has contributed ₹ 35.59 crore during the financial year 2020-21 towards community development projects. The details of these projects are mentioned in Annexure IV of the Directors Report.

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

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

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
 There are 118 ongoing consumer complaints as on 31st March, 2021.

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 a 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 behavior during the last five years and pending as on end of financial year.**
 There is one case pending before the judicial authorities for trademark infringement.

4. **Did your company carry out any consumer survey / consumer satisfaction trends?**

Customer satisfaction is 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

FINANCIAL STATEMENTS

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 2021, 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 standalone Ind AS 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, 2021, 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, 2021. 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

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 Rs 367.76 crore as at March 31, 2021 in its subsidiary Avenue E-Commerce Limited.

This subsidiary commenced business five 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, 2021 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.

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)

Our audit procedures in respect of assessment impairment of Investment in Avenue E-Commerce 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 multiples 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.r of the standalone Ind AS financial statements)

As at March 31, 2021, the carrying amount of inventories amounted to Rs 2,167.33 crore after considering allowances for Inventory shrinkages of Rs 14.81 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 counts were carried out at periodical intervals during the year and further judgmental factors are 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 count process. In testing these controls, we observed the inventory count process at selected store and distribution centres on a sample basis, inspected the results of the inventory count and confirmed variances were accounted for and approved by management.
- Assessed the stock shrinkage provision by assessing the level of inventory write downs during the period and applying the shrinkage rate as determined location wise to the year end stock. We tested on a sample basis the shrinkage rate used to calculate the provision for each store and distribution centre.
- We assessed the Company's disclosures concerning this in Note 1.j and 1.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 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 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, the 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to these standalone 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, 2021 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: 21036738AAAADB2182

Mumbai; May 08, 2021

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) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted 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 of which mutation of 28 freehold land properties aggregating to gross block and net block value of Rs 425.02 crore is in progress as on March 31, 2021.

(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) 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

(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 | 0.15 | 2014-2015 | Joint Commercial Tax Commissioner |
| Gujarat Value Added Tax Act, 2003 | Value added tax | 1.21 | 2016-2017 2017-2018 | Deputy Commissioner of Commercial Tax |
| Maharashtra Value Added Tax Act, 2002 | Value added tax | 2.79 | 2011-2012 2016-2017 | Joint Commercial Tax Commissioner |
| Maharashtra Municipal Corporation Act | Local body tax | 1.39 | 2010-2011 to 2017-18 | Commissioner |

| 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 | Entry tax | 0.37 | 2015-2016 2016-2017 | Deputy Commissioner of Commercial Tax |
| Madhya Pradesh Value Added Tax Act, 2002 | Value added tax | 0.14 | 2016-2017 | Deputy Commissioner of Commercial Tax |
| Income Tax Act, 1961 | Late Deduction of TDS | 2.50 | 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 Rs 1.29 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 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 and audit procedures performed by us, 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 and audit procedures performed by us, 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 Rs 2,285.00 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 Rs 3,068.00 crore, of which Rs 2,285.00 crore was outstanding at the end of the year.
- (xv) According to the information and explanations given by the management and audit procedures performed by us, 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: 21036738AAAADB2182

Mumbai; May 08, 2021

Annexure 2

To the Independent Auditor's Report of even date on the Standalone Ind as Financial Statements of Avenue Supermarts Limited ('the Company')

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 with reference to standalone Ind AS financial statements of Avenue Supermarts Limited ("the Company") as of March 31, 2021 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these standalone Ind AS financial statements.

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

A company's internal financial controls with reference to 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 controls with reference to 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 With Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were

operating effectively as at March 31, 2021, 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 issued by the ICAI.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar

Partner

Membership No.: 36738

UDIN: 21036738AAAADB2182

Mumbai; May 08, 2021

Standalone Balance Sheet

as at 31st March, 2021

| | Notes | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|-------|---------------------------------------|---------------------------------------|---------------|
| Assets | | | | |
| Non-current assets | | | | |
| (a) Property, plant and equipment | 2 | 5,772.65 | 5,060.70 | |
| (b) Capital work-in-progress | 2 | 1,006.21 | 361.94 | |
| (c) Right-of-use assets | 3 | 847.25 | 646.99 | |
| (d) Investment properties | 4 | 91.49 | 16.53 | |
| (e) Intangible assets | 5 | 9.45 | 11.19 | |
| (f) Financial assets | | | | |
| (i) Investments in subsidiaries | 6 | 402.30 | 287.30 | |
| (ii) Other non-current financial assets | 7 | 1,108.52 | 3,125.99 | |
| (g) Income tax assets (net) | | 0.71 | 7.68 | |
| (h) Other non-current assets | 8 | 446.92 | 273.54 | |
| Total non-current assets | | 9,685.50 | 9,791.86 | |
| Current assets | | | | |
| (a) Inventories | 9 | 2,167.33 | 1,909.43 | |
| (b) Financial assets | | | | |
| (i) Trade receivables | 10 | 72.10 | 48.53 | |
| (ii) Cash and cash equivalents | 11 | 181.19 | 91.46 | |
| (iii) Bank balances other than cash and cash equivalents | 12 | 1,250.80 | 0.78 | |
| (iv) Other current financial assets | 13 | 167.86 | 109.80 | |
| (c) Other current assets | 14 | 121.61 | 132.27 | |
| Total current assets | | 3,960.89 | 2,292.27 | |
| Total assets | | 13,646.39 | 12,084.13 | |
| Equity and liabilities | | | | |
| Equity | | | | |
| (a) Equity share capital | 15 | 647.77 | 647.77 | |
| (b) Other equity | 16 | 11,657.51 | 10,487.75 | |
| Total equity | | 12,305.28 | 11,135.52 | |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 17 | - | - | |
| (ii) Lease liability | 3 | 216.92 | 178.13 | |
| (iii) Other non-current financial liabilities | 18 | 0.44 | 0.47 | |
| (b) Deferred tax liabilities (net) | 19 | 51.90 | 48.20 | |
| Total non-current liabilities | | 269.26 | 226.80 | |
| Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 20 | - | 3.73 | |
| (ii) Lease liability | 3 | 78.61 | 64.29 | |
| (iii) Trade payables due to - | 21 | | | |
| Micro and small enterprises | | 19.97 | 17.24 | |
| Other than micro and small enterprises | | 545.57 | 428.73 | |
| (iv) Other current financial liabilities | 22 | 255.26 | 174.50 | |
| (b) Current tax liabilities (net) | | 112.66 | 0.44 | |
| (c) Other current liabilities | 23 | 37.58 | 18.55 | |
| (d) Provisions | 24 | 22.20 | 14.33 | |
| Total current liabilities | | 1,071.85 | 721.81 | |
| Total equity and liabilities | | 13,646.39 | 12,084.13 | |
| 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

Mumbai, 8th May, 2021

Niladri Deb
 Chief Financial Officer

Ashu Gupta
 Company Secretary

Mumbai, 8th May, 2021

Statement of Standalone Profit and Loss

for the year ended 31st March, 2021

| | Notes | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 (₹ in Crores) |
|---|-------|--|---|
| Income | | | |
| Revenue from operations | 25 | 23,787.20 | 24,675.01 |
| Other income | 26 | 208.90 | 63.33 |
| Total income | | 23,996.10 | 24,738.34 |
| Expenses | | | |
| Purchase of stock-in-trade | | 20,614.23 | 21,349.14 |
| Changes in inventories of stock-in-trade | 27 | (257.90) | (333.21) |
| Employee benefits expense | 28 | 495.13 | 424.74 |
| Finance costs | 29 | 34.48 | 62.76 |
| Depreciation and amortisation expense | 30 | 371.36 | 339.81 |
| Other expenses | 31 | 1,194.01 | 1,112.21 |
| Total expenses | | 22,451.31 | 22,955.45 |
| Profit before tax | | 1,544.79 | 1,782.89 |
| Tax expense | | | |
| Current tax | 32 | 389.35 | 448.84 |
| Deferred tax charge/(credit) | | 3.70 | (15.87) |
| Adjustment of tax related to earlier years | | (13.57) | 0.03 |
| Total tax expenses | | 379.48 | 433.40 |
| Net profit after tax | | 1,165.31 | 1,349.89 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurements loss on defined benefit plans | 45 | (1.92) | (5.07) |
| Less: Income tax effect | | 0.48 | 1.28 |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent year | | (1.44) | (3.79) |
| Total comprehensive income for the year | | 1,163.87 | 1,346.10 |
| Earnings per equity share of ₹ 10 each: (in ₹) | | | |
| Basic | | 17.99 | 21.49 |
| Diluted | | 17.86 | 21.33 |
| 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, 8th May, 2021

Mumbai, 8th May, 2021

Statement of Standalone Cash Flows

for the year ended 31st March, 2021

| | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|---|--|--|
| Cash flow from operating activities: | | (₹ in Crores) |
| Profit before tax | 1,544.79 | 1,782.89 |
| Adjustments for: | | |
| Depreciation and amortization expenses | 371.36 | 339.81 |
| Finance cost | 34.48 | 62.76 |
| Interest income | (178.13) | (32.86) |
| Profit on sale of investments | (2.09) | (8.93) |
| Expense on employee stock option scheme | 6.05 | 8.27 |
| Rent income | (16.18) | (7.63) |
| (Gain)/ loss on disposal of property, plant and equipment (net) | 1.61 | (2.45) |
| | 217.10 | 358.97 |
| Operating profit before working capital changes | 1,761.89 | 2,141.86 |
| Adjustments for: | | |
| Increase/(decrease) in trade payables | 119.57 | (12.31) |
| Increase/(decrease) in provisions | 5.95 | (3.41) |
| Increase in other current financial liabilities | 43.40 | 23.27 |
| Increase/(decrease) in other current liabilities | 19.03 | (3.38) |
| Decrease in other non-current financial liabilities | (0.03) | (0.31) |
| (Increase)/decrease in trade receivables | (23.57) | 26.99 |
| Increase in inventories | (257.90) | (333.21) |
| (Increase)/decrease in other non-current assets | (1.13) | 4.77 |
| Increase in other non-current financial assets | (24.47) | (17.25) |
| Increase in bank balances other than cash and cash equivalents | (0.02) | (0.04) |
| (Increase)/decrease in other current assets | 10.66 | (38.19) |
| Increase in other current financial assets | (11.80) | (19.88) |
| | (120.31) | (372.95) |
| Cash flow from operating activities | 1,641.58 | 1,768.91 |
| Direct taxes paid (net of refunds) | (256.11) | (481.52) |
| Net cash flow from operating activities | 1,385.47 | 1,287.39 |
| Cash flow from investing activities: | | |
| Proceeds from disposal of property, plant and equipment | 2.20 | 5.51 |
| Realisation from FDs of IPO proceeds | - | 92.58 |
| Realisation from FDs of QIP proceeds | 783.00 | 129.00 |
| Interest received | 125.93 | 12.23 |
| Gain on sale of investments | 2.09 | 8.93 |
| Rent income received | 16.21 | 7.53 |
| | 929.43 | 255.78 |
| Purchase of property, plant and equipment / intangible assets / investment properties | (1,969.91) | (1,683.06) |
| QIP proceeds deposited in FDs | - | (3,197.00) |
| Investment in subsidiaries | (115.00) | (75.30) |
| | (2,084.91) | (4,955.36) |
| Net cash flow used in investing activities | (1,155.48) | (4,699.58) |
| 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 |
| Proceeds from short term borrowings | 200.00 | 251.03 |
| Proceeds of commercial papers | - | 789.46 |
| Proceeds from non convertible debentures | - | 300.00 |
| | 200.00 | 5,577.34 |
| Repayment of long term borrowings | - | (200.00) |

Statement of Standalone Cash Flows

for the year ended 31st March, 2021

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|--|-----------------|--|--|
| Repayment of short term borrowings | (203.73) | (300.00) | |
| Repayment of commercial papers | - | (1,034.99) | |
| Repayment of non convertible debentures | (34.00) | (512.00) | |
| Payment of lease liability | (66.08) | (56.09) | |
| Interest paid on lease liability | (30.37) | (22.80) | |
| Interest paid | (6.07) | (67.93) | |
| | (340.25) | (2,193.81) | |
| Cash flow from/(used in) financing activities | (140.25) | 3,383.53 | |
| Net increase/(decrease) in cash and cash equivalent | 89.74 | (28.66) | |
| Cash and cash equivalents at beginning of the year (including bank overdraft balances) | 91.45 | 120.11 | |
| Cash and cash equivalents at end of the year (including bank overdraft balances) | 181.19 | 91.45 | |
| Cash and cash equivalents as per above comprises of the following | | | |
| Cash and cash equivalents (Refer Note : 11) | 181.19 | 91.46 | |
| Bank overdrawn (Refer Note : 22) | - | (0.01) | |
| Balance as per statement of cash flows | 181.19 | 91.45 | |

The accompanying notes are an integral part of these financial statements

Notes:

i) Reconciliation of borrowings

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|--|---------------|--|--|
| Opening Balance | | | |
| Non- current borrowings (including current maturity) | 34.00 | 396.00 | |
| Current borrowings | 3.73 | 299.15 | |
| Movement of borrowings | | | |
| Cash Flow | | | |
| Non- current borrowings (including current maturity) | (34.00) | (362.00) | |
| Current borrowings | (3.73) | (295.42) | |
| Closing Balance | | | |
| Non- current borrowings (including current maturity) | - | 34.00 | |
| Current borrowings | - | 3.73 | |

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 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, 8th May, 2021

Mumbai, 8th May, 2021

Statement of Changes in Equity

for the year ended 31st March, 2021

A. Equity share capital

| | Notes | No. of Shares | ₹ in Crores |
|--|-------|--------------------|---------------|
| Equity Share of ₹ 10 each issued, subscribed and fully paid | 15 | | |
| At 1 st April, 2019 | | 624,084,486 | 624.08 |
| Issue of Share Capital | | 23,690,205 | 23.69 |
| At 31st March, 2020 | | 647,774,691 | 647.77 |
| Issue of Share Capital | | - | - |
| At 31st March, 2021 | | 647,774,691 | 647.77 |

B. Other equity

| | Notes | Reserves and Surplus | | | | (₹ in Crores) | Total |
|---|-------|----------------------|---------------------------|------------------------------|-------------------|------------------|-------|
| | | Securities premium | Share options outstanding | Debenture redemption reserve | Retained earnings | | |
| Balance as at 1st April, 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 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 | |
| Profit for the year | | - | - | - | 1,165.31 | 1,165.31 | |
| Other comprehensive income for the year | | - | - | - | (1.44) | (1.44) | |
| Share option expense | 44 | - | 5.89 | - | - | 5.89 | |
| Transfer from debenture redemption reserve | | - | - | (8.50) | 8.50 | - | |
| Balance as at 31st March, 2021 | | 5,994.57 | 31.71 | - | 5,631.23 | 11,657.51 | |

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

The share options outstanding is used to recognise the grant date fair value of options issued to employees under Avenue Supermarts Limited Employee Stock Option Scheme, 2016.

Debenture redemption reserve

The company is required to create a debenture redemption reserves out of profit which is available for the purpose of redemption of debentures in accordance with provisions of Companies Act 2013.

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

For **S R B C & CO LLP**
 Chartered Accountants
 ICAI firm registration number 324982E/E300003

per **Vijay Maniar**
 Partner
 Membership No.: 36738
 Mumbai, 8th May, 2021

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
 Mumbai, 8th May, 2021

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

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 8th May, 2021.

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. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose or trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The 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 ₹ 0.00 crores, 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 recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the 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 includes the cost of replacing part of the property, plant and

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

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 their specific useful lives. 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 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 (except for leasehold land which is amortised over the period of lease) over the useful life of asset as assessed by the management and the same is similar to the useful lives as prescribed in Part-C of Schedule II to the Companies Act, 2013. Depreciation is charged on pro-rata basis for asset purchased / sold during the year.

The assets residual values, useful life and method of depreciation of PPE are reviewed and adjusted if appropriate, at the end of each reporting period.

(d) Intangible assets

On transition to Ind AS, the company has elected to continue with the carrying value of all its intangible assets recognized as at 1 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 of 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 1 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, 2021

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-of-use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

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

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

general inflation to compensate for the lessor's expected inflationary cost increases.

Amortisation on Right-of-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.

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

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

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:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 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:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 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."

*** Fairvalue 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 state 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.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial

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to the Standalone Financial Statements for the year ended 31st March, 2021

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.

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(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 separately 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 using effective interest rate (EIR). Interest income is 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 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

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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, 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 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 :

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transaction.

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to the Standalone Financial Statements for the year ended 31st March, 2021

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 retranslated. 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 offset 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 be received to sell 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.

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to the Standalone Financial Statements for the year ended 31st March, 2021

3. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values."

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(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 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. 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 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. 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, 2021

2 Property, plant and equipment

| | Freehold land (Refer note : 2.7) | Leasehold land (Refer note : 1.4.6) | Buildings | Leasehold improvement | Plant and equipment | Computers and fixtures | Furniture and fixtures | Vehicles | Office equipment | Electrical installations | Total | (₹ in Crores) |
|--|-------------------------------------|---|-----------------|--------------------------|------------------------|------------------------------|---------------------------|-------------|---------------------|-----------------------------|-----------------|---------------|
| Cost | | | | | | | | | | | | |
| Balance as at 1st April, 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 | - | 595.88 | 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 | |
| Additions | 580.61 | - | 300.21 | 10.04 | 57.50 | 14.86 | 59.36 | 0.13 | 6.43 | 39.04 | 1,068.18 | |
| Reclassification | (26.62) | - | (57.47) | - | - | - | - | - | - | - | (84.09) | |
| Disposals | 0.12 | - | 0.12 | - | 2.53 | 0.48 | 4.31 | 0.12 | 1.12 | 0.83 | 9.62 | |
| Balance as at 31st March, 2021 | 2,812.18 | - | 2,939.12 | 66.99 | 307.24 | 95.65 | 317.12 | 3.58 | 39.43 | 245.18 | 6,826.49 | |
| Depreciation | | | | | | | | | | | | |
| Balance as at 1st April, 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 | 1.32 | 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 | | |
| Charge for the year | - | - | 124.05 | 12.01 | 38.66 | 16.81 | 42.87 | 0.54 | 6.48 | 31.99 | 273.41 | |
| Reclassification | - | - | (5.09) | - | - | - | - | - | - | - | (5.09) | |
| Disposals | - | - | 0.06 | 0.01 | 1.85 | 0.44 | 1.82 | 0.09 | 0.90 | 0.64 | 5.81 | |
| Balance as at 31st March, 2021 | - | 492.95 | 42.46 | 127.97 | 73.60 | 158.52 | 2.27 | 27.40 | 128.67 | 1,053.84 | | |
| Net book value | 2,258.31 | - | 2,322.45 | 26.49 | 161.11 | 24.05 | 144.59 | 1.75 | 12.30 | 109.65 | 5,060.70 | |
| Balance as at 31st March, 2020 | 2,812.18 | - | 2,446.17 | 24.53 | 179.27 | 22.05 | 158.60 | 1.31 | 12.03 | 116.51 | 5,772.65 | |

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

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|-------------|---------------------------------------|---------------------------------------|
| Gross block | 40.98 | 40.98 |
| Net block | 30.97 | 32.71 |

2 Freehold land includes ₹ 425.02 Crores (31st March, 2020 : ₹ 345.35 Crores) being property purchased, for which mutation is pending.

3 Details of Capital work in progress -

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Opening Balance | 361.94 | 376.55 |
| Addition during the year | 1,089.35 | 726.69 |
| Transfer/Adjustment during the year | (445.08) | (741.30) |
| Closing Balance | 1,006.21 | 361.94 |

4 Building and CWIP includes interest capitalised on borrowings of ₹ NII (31st March, 2020 : ₹ 16.97 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 ₹ 27.66 Crores (31st March, 2020 : ₹ 34.79 Crores).

7 The land in Bhamti, Nagpur was purchased by the company from Pramod Walmandare and others. The company has filed the Appeal no. 46 of 2017-18 before Deputy Director of Land records (DDL) at Nagpur thereby challenging the Order dated 07th July, 2017 (by virtue of which Ownership of the Pramod Walmandre and Others is affected) passed by Superintendent of Land Records, Nagpur. Title deed in respect of the said property is held in the name of the Avenue Supermart Limited. The Appeal was heard by the Hon'ble DDLR on 21st December 2019 when company's advocate appeared and argued the above matter. The matter was then reserved for Order. However as the DDLR before whom the hearing was held on 21st December, 2019 has been transferred to some other place and therefore the newly appointed DDLR, Nagpur, has kept the matter for rehearing on 30th March, 2021. However the same day matter was adjourned and the DDLR yet to communicate with us the next date.

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3 Right-of-use assets

| | Land (Refer note: 1) | Buildings | Plant & equipment | (₹ in Crores) 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 |
| Additions | 136.43 | 127.22 | 7.98 | 271.63 |
| Reclassification | 21.74 | - | - | 21.74 |
| Balance as at 31st March, 2021 | 614.02 | 419.85 | 7.98 | 1,041.85 |
| Amortisation | | | | |
| Balance as at 1 st 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 |
| Charge for the year | 7.11 | 84.95 | 0.56 | 92.62 |
| Reclassification | 0.49 | - | - | 0.49 |
| Balance as at 31st March, 2021 | 29.84 | 164.20 | 0.56 | 194.60 |
| Net book value | | | | |
| Balance as at 31st March, 2020 | 433.61 | 213.38 | - | 646.99 |
| Balance as at 31st March, 2021 | 584.18 | 255.65 | 7.42 | 847.25 |

Note:

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

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|-------------|---------------------------------------|---------------------------------------|
| Gross block | 13.83 | 13.83 |
| Net block | 12.92 | 13.07 |

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.

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-of-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-of-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, using term of non-cancellable and management intention to extend except for short-term leases and leases of low-value assets.

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to the Standalone Financial Statements as at 31st March, 2021

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 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
- Used practical expedients which permits lessees not to account for COVID-19 related rent concessions as a lease modifications.

Lease liabilities

| Particulars | (₹ in Crores) | |
|----------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Opening | 242.42 | 217.96 |
| Recognised during the year | 149.56 | 103.35 |
| Repaid during the year | (96.45) | (78.89) |
| Closing | 295.53 | 242.42 |
| Non current | 216.92 | 178.13 |
| Current | 78.61 | 64.29 |

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

| Particulars | (₹ in Crores) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Amortisation expense of right-of-use assets (Refer note : 30) | 92.62 | 101.43 |
| Interest expense on lease liabilities (Refer note : 29) | 30.37 | 28.91 |
| Expense relating to short-term leases (included in other expenses Refer note : 31) | 1.21 | 1.13 |
| Total | 124.20 | 131.47 |

The company had total cash outflows for leases of ₹ 96.45 crores (31st March, 2020 : ₹ 78.89 crores) and also had non-cash additions to right-of-use assets and lease liabilities of ₹ 135.20 crores (31st March 2020 : ₹ 90.98 crores).

Notes

to the Standalone Financial Statements as at 31st March, 2021

4 Investment properties

| | As at 31 st March, 2021 | As at 31 st March, 2020 (₹ in Crores) |
|--|---------------------------------------|--|
| Cost | | |
| Opening balance | 20.94 | 21.64 |
| Additions | 19.62 | - |
| Reclassification | 62.35 | (0.70) |
| Closing balance | 102.91 | 20.94 |
| Depreciation | | |
| Opening balance | (4.41) | (3.54) |
| Charge for the year | (2.41) | (1.02) |
| Reclassification | (4.60) | 0.15 |
| Closing balance | (11.42) | (4.41) |
| Net book value | 91.49 | 16.53 |
| 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 ₹ NIL Crores) | 8.97 | 4.21 |
| Direct operating expenses from property that generated rental income | 0.72 | 0.66 |
| Direct operating expenses from property that did not generate rental income | - | - |
| Income from investment properties before depreciation | 8.25 | 3.55 |
| Depreciation | 2.41 | 1.02 |
| Income from investment properties | 5.84 | 2.53 |
| (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 | 4.91 | - |
| Later than one year but not later than 5 years | - | - |
| Later than 5 years | - | - |
| | 4.91 | - |
| (iii) Fair value | | |
| Investment properties | 384.46 | 141.45 |

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, 2021

5 Intangible assets

| | Computer software | Trademarks | (₹ in Crores) Total |
|--|-------------------|-------------|------------------------|
| Cost | | | |
| Balance as at 1 st April, 2019 | 18.47 | 0.02 | 18.49 |
| Additions | 4.48 | - | 4.48 |
| Disposals | 0.04 | - | 0.04 |
| Balance as at 31 st March, 2020 | 22.91 | 0.02 | 22.93 |
| Additions | 2.25 | - | 2.25 |
| Disposals | - | - | - |
| Balance as at 31 st March, 2021 | 25.16 | 0.02 | 25.18 |
| Amortisation | | | |
| Balance as at 1 st April, 2019 | 8.21 | 0.01 | 8.22 |
| Charge for the year | 3.56 | - | 3.56 |
| Disposals | 0.04 | - | 0.04 |
| Balance as at 31 st March, 2020 | 11.73 | 0.01 | 11.74 |
| Charge for the year | 3.99 | - | 3.99 |
| Disposals | - | - | - |
| Balance as at 31 st March, 2021 | 15.72 | 0.01 | 15.73 |
| Net book value | | | |
| Balance as at 31 st March, 2020 | 11.18 | 0.01 | 11.19 |
| Balance as at 31 st March, 2021 | 9.44 | 0.01 | 9.45 |

6 Investments in subsidiaries

| | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| A. Investment in subsidiaries | | |
| Unquoted equity shares | | |
| i. Equity instruments at cost | | |
| 3,799,999 (31 st March, 2020 : 3,799,999) shares of Align Retail Trades Private Limited (equity shares of ₹ 10 each) | 34.34 | 34.34 |
| 10,000 (31 st March, 2020 : 10,000) shares of Avenue Food Plaza Private Limited (equity shares of ₹ 10 each) | 0.01 | 0.01 |
| 90,000 (31 st March, 2020 : 90,000) shares of Nahar Seth Jogani Developers Private Limited (equity shares of ₹ 10 each) | 0.09 | 0.09 |
| 100,000 (31 st March, 2020 : 100,000) shares of Reflect Wholesale Retail Private Limited (equity shares of ₹ 10 each) | 0.10 | 0.10 |
| 292,864,191 (31 st March, 2020 : 216,487,285) shares of Avenue E-commerce Limited (equity shares of ₹ 10 each) | 367.76 | 252.76 |
| Total | 402.30 | 287.30 |
| Aggregate amount of unquoted investments | 402.30 | 287.30 |
| Aggregate amount of impairment in the value of investment | - | - |
| Non-current | 402.30 | 287.30 |

Notes

to the Standalone Financial Statements as at 31st March, 2021

7 Other non-current financial assets

| | (₹ in Crores) | As at | As at |
|--|------------------------------|------------------------------|-------|
| | 31 st March, 2021 | 31 st March, 2020 | |
| Rent deposits given | | | |
| - Related parties (Refer note: 33) | 6.76 | 8.25 | |
| - Others | 33.82 | 20.75 | |
| Other deposits | 31.58 | 27.71 | |
| Margin money deposits with banks (held as lien by bank against bank guarantees) | 0.93 | 0.87 | |
| Long term deposits with banks with maturity period more than 12 months (Provided as security for various regulatory registrations) | 0.43 | 0.41 | |
| Long term deposits with banks with maturity period more than 12 months | 1,035.00 | 3,068.00 | |
| Total | 1,108.52 | 3,125.99 | |

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

8 Other non-current assets

| | (₹ in Crores) | As at | As at |
|------------------|------------------------------|------------------------------|-------|
| | 31 st March, 2021 | 31 st March, 2020 | |
| Capital advances | 444.94 | 272.69 | |
| Prepaid Expenses | 1.98 | 0.85 | |
| Total | 446.92 | 273.54 | |

9 Inventories

| | (₹ in Crores) | As at | As at |
|--|------------------------------|------------------------------|-------|
| | 31 st March, 2021 | 31 st March, 2020 | |
| Stock-in-trade (at lower of cost and net realisable value) | 2,167.33 | 1,909.43 | |
| Total | 2,167.33 | 1,909.43 | |

10 Trade receivables

| | (₹ in Crores) | As at | As at |
|----------------------------------|------------------------------|------------------------------|-------|
| | 31 st March, 2021 | 31 st March, 2020 | |
| Considered good | | | |
| Unsecured | | | |
| Related parties (Refer Note: 33) | 28.52 | 29.00 | |
| Other than related parties | 43.58 | 19.53 | |
| Total | 72.10 | 48.53 | |

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, 2021

11 Cash and cash equivalents

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---|---------------------------------------|---------------------------------------|---------------|
| Balances with banks - In current accounts | 148.69 | 48.73 | |
| Cash on hand | 32.50 | 42.73 | |
| Total | 181.19 | 91.46 | |

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

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|---------------------------------------|---------------------------------------|---------------|
| Total cash and cash equivalents | 181.19 | 91.46 | |
| Less: Overdrawn bank balances (Refer Note: 22) | - | (0.01) | |
| Cash and cash Equivalents for cash flow purpose | 181.19 | 91.45 | |

12 Bank balances other than cash and cash equivalents

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---|---------------------------------------|---------------------------------------|---------------|
| Margin money deposits with bank (held as lien by bank against guarantees) | 0.80 | 0.78 | |
| Deposits with bank | 1,250.00 | - | |
| Total | 1,250.80 | 0.78 | |

13 Other current financial assets

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|---------------------------------------|---------------------------------------|---------------|
| Rent deposits given | | | |
| - Others | 10.31 | 13.09 | |
| Advances recoverable in cash or in kind or in value to be received | | | |
| - Related parties (Refer Note : 33)* | 0.51 | 0.99 | |
| - others | 82.65 | 70.51 | |
| Interest receivable | | | |
| - other deposits | 72.49 | 23.45 | |
| Advances to employees | 1.90 | 1.76 | |
| Total | 167.86 | 109.80 | |
| The above current financial assets are carried at amortised cost. | | | |
| * Maximum amount outstanding during the year | | | |
| | 1.57 | 0.99 | |

Notes

to the Standalone Financial Statements as at 31st March, 2021

14 Other current assets

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|---------------------------------------|---------------------------------------|---------------|
| Prepaid expenses | 6.61 | 5.51 | |
| Advances to suppliers | 72.68 | 85.66 | |
| Balance with government authorities | 36.97 | 35.47 | |
| Fund in gratuity trust (Refer Note:45) | - | 0.42 | |
| Others | 5.35 | 5.21 | |
| Total | 121.61 | 132.27 | |

15 Equity share capital

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---|---------------------------------------|---------------------------------------|---------------|
| A. Authorised | | | |
| 750,000,000 [31 st March, 2020 : 750,000,000] equity Shares of ₹ 10 each | 750.00 | 750.00 | |
| Issued, subscribed and fully paid up | | | |
| 647,774,691 [31 st March, 2020 : 647,774,691] equity Shares of ₹ 10 each | 647.77 | 647.77 | |
| | 647.77 | 647.77 | |

| | | | |
|---|-------------|-------------|--|
| Notes: | | | |
| a) Reconciliation of number of shares | | | |
| Balance at the beginning of the year | | | |
| No. of shares | 647,774,691 | 624,084,486 | |
| Amount in ₹ Crores | 647.77 | 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 | 647,774,691 | |
| Amount in ₹ Crores | 647.77 | 647.77 | |

In March 2017, the company had completed the Initial Public offering (IPO) of fresh issue of 62,541,806 equity shares of ₹ 10 each at an issue price of ₹ 299 per share. The equity shares of the company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f. 21 March, 2017.

Utilisation of IPO proceeds are as follows:-

| Particulars | Planned as per Prospectus | Utilisation upto 31 st March, 2021 | (₹ in Crores) |
|---|------------------------------|--|---------------|
| 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 company aggregating to ₹ 29.38 Crores, in connection with IPO have been adjusted towards securities premium in March 2017.

Notes

to the Standalone Financial Statements as at 31st March, 2021

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, 2021 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 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| Mr. Radhakishan S. Damani | 222,159,156 | 222,159,156 |
| - % holding of shares | 34.30% | 34.30% |
| Mr. Gopikishan S. Damani | 49,480,000 | 49,480,000 |
| - % holding of shares | 7.64% | 7.64% |
| Bright Star Investments Private Limited | 88,750,000 | 88,750,000 |
| - % holding of shares | 13.70% | 13.70% |

Notes

to the Standalone Financial Statements as at 31st March, 2021

16 Other equity

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|---------------------------------------|---------------------------------------|---------------|
| (a) Securities premium | | | |
| Opening balance | 5,994.57 | 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 | 5,994.57 | |
| (b) Debenture Redemption Reserve | | | |
| Opening balance | 8.50 | 59.65 | |
| Appropriations/reversal during the year | (8.50) | (51.15) | |
| Closing balance | 8.50 | 8.50 | |
| (c) Share Options Outstanding | | | |
| Opening balance | 25.82 | 39.36 | |
| Share option expense | 5.89 | 8.09 | |
| Transferred from retained earning on lapse of vested options | - | 0.01 | |
| Exercise of share options | - | (21.64) | |
| Closing balance | 31.71 | 25.82 | |
| (d) Retained earnings | | | |
| Opening balance | 4,458.86 | 3,061.62 | |
| Net Profit for the year | 1,165.31 | 1,349.89 | |
| Items of other comprehensive income recognised directly in retained earnings | | | |
| - Remeasurements of post-employment benefit obligation, net of tax | (1.44) | (3.79) | |
| Transfer to/from debenture redemption reserve | 8.50 | 51.15 | |
| Transferred from share options outstanding on lapse of vested options | - | (0.01) | |
| Closing balance | 5,631.23 | 4,458.86 | |
| Total other equity | 11,657.51 | 10,487.75 | |

17 Non-current borrowings

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|---------------------------------------|---------------------------------------|---------------|
| Secured | | | |
| Non convertible debentures | - | 34.00 | |
| Less : Current maturities disclosed in other current financial liabilities (Refer note 22) | - | (34.00) | |
| Total | - | - | |

Nature of security and terms of repayment for borrowings:

| Sr no | Nature of security | Terms of payment |
|-------|--|--|
| 1 | Non convertible debentures (NCD) were secured by way of mortgage of specific stores properties to the Debenture Trustee. | NCD for ₹ 34 Crores redeemed on 20 th August 2020. Rate of interest was 9.40% p.a. |

Notes

to the Standalone Financial Statements as at 31st March, 2021

18 Other non-current financial liabilities

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---------------------|---------------------------------------|---------------------------------------|---------------|
| Rent deposits taken | 0.44 | 0.47 | |
| Total | 0.44 | 0.47 | |

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

19 Deferred tax liabilities (net)

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---------------------------------------|---------------------------------------|---------------------------------------|---------------|
| Deferred Tax liability on account of: | | | |
| - Depreciation | 65.65 | 55.58 | |
| Deferred Tax Assets on account of: | | | |
| - Employee benefits | 5.58 | 3.94 | |
| - Right-of-use assets | 8.17 | 3.44 | |
| Deferred tax liabilities (net) | 51.90 | 48.20 | |

Movements in deferred tax liabilities and deferred tax assets

| | Property plant and equipment | Employee benefits | Right-of-use assets | (₹ in Crores) |
|---------------------------------------|---------------------------------|----------------------|------------------------|---------------|
| | | | | Total |
| At 1st April, 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 |
| Charged / (credited) to | | | | |
| Profit and loss | 10.07 | (1.64) | (4.73) | 3.70 |
| Other comprehensive income | - | - | - | - |
| At 31st March, 2021 | 65.65 | (5.58) | (8.17) | 51.90 |

20 Current borrowings

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---|---------------------------------------|---------------------------------------|---------------|
| Secured | | | |
| Working capital loans from banks (Payable on demand) | - | 3.73 | |
| (Working capital loan from banks are secured by hypothecation of inventories, trade receivables, both present and future) | | | |
| Total | - | 3.73 | |

At 31 March 2021, the company had available ₹ 489.36 Crores (31st March, 2020: ₹ 876.53 Crores) of undrawn committed borrowing facilities.

Notes

to the Standalone Financial Statements as at 31st March, 2021

21 Trade payables

| | (₹ in Crores) | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------|---------------------------------------|---------------------------------------|
| Trade payables | | | |
| Amounts payable to related parties (Refer Note : 33) | 39.01 | 29.01 | |
| Others | 526.53 | 416.96 | |
| Total | 565.54 | 445.97 | |
| (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 | 19.97 | 17.24 | |

22 Other current financial liabilities

| | (₹ in Crores) | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------|---------------------------------------|---------------------------------------|
| Other financial liabilities measured at amortised cost: | | | |
| Current maturities of debentures (Refer note : 17) | - | 34.00 | |
| Interest accrued but not due on borrowings | - | 1.96 | |
| Escrow deposits received* | 62.35 | 22.04 | |
| Overdrawn bank balances | - | 0.01 | |
| Salary and wages payable | 48.41 | 44.01 | |
| Capital creditors** | 144.50 | 72.48 | |
| Total | 255.26 | 174.50 | |
| * Escrow deposits represents amount received for any possible claims that may arise in future in respect of certain properties. (Refer Note : 2) | | | |
| ** 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 | 4.62 | - | |

23 Other current liabilities

| | (₹ in Crores) | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------|---------------------------------------|---------------------------------------|
| Statutory dues | 35.35 | 15.92 | |
| Other payables | 0.78 | 1.79 | |
| Other payables - Related Party (Refer Note : 33) | 1.45 | 0.84 | |
| Total | 37.58 | 18.55 | |

24 Provisions

| | (₹ in Crores) | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------|---------------------------------------|---------------------------------------|
| Provision for employee benefits | | | |
| Gratuity (Refer note:45) | 0.04 | - | |
| Leave entitlement | 22.16 | 14.33 | |
| Total | 22.20 | 14.33 | |

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

25 Revenue from operations

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|---|------------------|--|--|
| Sale of goods | 25,961.45 | 27,006.36 | |
| Sale of goods on approval basis | 31.79 | 49.56 | |
| Less : Cost of goods sold on approval basis | (26.63) | (41.44) | |
| | 25,966.61 | 27,014.48 | |
| Less : Tax | (2,237.23) | (2,372.18) | |
| Other operating income | 57.82 | 32.71 | |
| Total | 23,787.20 | 24,675.01 | |

26 Other income

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|--|---------------|--|--|
| Interest on deposits and advances | 178.13 | 32.86 | |
| Rent and amenities service income (Refer note 4) | 16.18 | 7.63 | |
| Gain on sale of current investment | 2.09 | 8.93 | |
| Gain on sale/discardment of PPE (net) | - | 2.45 | |
| Exchange gain (net) | 7.73 | 8.63 | |
| Miscellaneous income | 4.77 | 2.83 | |
| Total | 208.90 | 63.33 | |

27 Changes in inventories of stock-in-trade

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|---------------|-----------------|--|--|
| Closing stock | 2,167.33 | 1,909.43 | |
| Opening stock | 1,909.43 | 1,576.22 | |
| Total | (257.90) | (333.21) | |

28 Employee benefits expenses

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|---|---------------|--|--|
| Salaries, allowances and others | 417.01 | 358.85 | |
| Expense on employee stock option scheme (Refer note : 44) | 6.05 | 8.27 | |
| Contribution to provident fund and other funds | 29.69 | 24.48 | |
| Employee welfare expenses | 42.38 | 33.14 | |
| Total | 495.13 | 424.74 | |

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

29 Finance costs

| | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 | (₹ in Crores) |
|--|--|--|---------------|
| Interest on term loans from banks | - | 12.22 | |
| Interest on non convertible debentures | 1.23 | 24.76 | |
| Interest others (Refer note : 3) | 33.00 | 41.60 | |
| | 34.23 | 78.58 | |
| Less : Capitalised (Refer note : 2) | - | (16.97) | |
| | 34.23 | 61.61 | |
| Finance charges | 0.25 | 1.15 | |
| Total | 34.48 | 62.76 | |

30 Depreciation and amortisation expense

| | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 | (₹ in Crores) |
|---------------------------------------|--|--|---------------|
| Depreciation/ amortisation on: | | | |
| - Tangible assets (Refer note: 2) | 273.41 | 250.96 | |
| - Right-of-use assets (Refer note: 3) | 92.62 | 84.80 | |
| - Investment property (Refer note: 4) | 2.41 | 1.02 | |
| - Intangible assets (Refer note: 5) | 3.99 | 3.56 | |
| | 372.43 | 340.34 | |
| Less: Capitalised | (1.07) | (0.53) | |
| Total | 371.36 | 339.81 | |

31 Other expenses

| | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 | (₹ in Crores) |
|--|--|--|---------------|
| Contract labour charges | 609.74 | 533.73 | |
| Rent (Refer note : 36) | 1.21 | 1.03 | |
| Electricity and fuel charges | 168.03 | 183.57 | |
| Insurance | 7.67 | 6.58 | |
| Rates and taxes | 25.63 | 21.09 | |
| Repairs and maintenance: | | | |
| - Building | 16.83 | 17.72 | |
| - Plant and machinery | 43.16 | 42.63 | |
| - Others | 20.39 | 19.68 | |
| Packing expenses | 30.85 | 33.07 | |
| Printing & Stationery | 13.16 | 14.44 | |
| Communication charges | 5.16 | 4.64 | |
| Legal and professional fees | 7.34 | 10.22 | |
| Travelling and conveyance | 11.27 | 25.07 | |
| Directors fees | 0.98 | 1.01 | |
| Payment to auditors | | | |
| - Audit fees | 0.57 | 0.52 | |
| - Other services | - | 0.02 | |
| - Reimbursement of expenses | - | 0.03 | |
| Miscellaneous expenses | 194.82 | 179.30 | |
| Expenditure towards corporate social responsibility (CSR) activities (Refer Note:38) | 35.59 | 17.86 | |
| Loss on sale/discardment of PPE (net) | 1.61 | - | |
| Total | 1,194.01 | 1,112.21 | |

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

32 Tax expenses

| | (₹ in Crores) | |
|---|--|--|
| | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
| Tax expense recognized in the statement of Profit and Loss | | |
| (a) Tax expense | | |
| Current tax | | |
| Current tax on profits for the year recognised in statement of profit and loss | 389.35 | 448.84 |
| Current tax on Re-measurements gains/(loss) on defined benefit plans recognised in OCI | (0.48) | (1.28) |
| Adjustment of tax related to earlier years | (13.57) | 0.03 |
| Total current tax expense | 375.30 | 447.59 |
| Deferred tax | | |
| (Decrease)/increase in deferred tax | | |
| Total deferred tax expense/(benefit) | 3.70 | (15.87) |
| Total tax expense | 379.00 | 431.72 |
| (b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate: | | |
| Accounting profit before tax | 1,544.79 | 1,782.89 |
| Tax calculated at tax rates applicable to profit @ 25.168% | 388.79 | 448.72 |
| Permanent differences due to: | | |
| Donation | 0.01 | 0.08 |
| Deduction taken for 80JJA and others | (4.49) | (3.23) |
| Corporate social responsibility | 8.96 | 4.50 |
| Interest on income tax | 0.42 | (0.01) |
| Fines and penalty | 0.06 | 0.02 |
| Deduction from income from house property | (0.82) | (0.52) |
| Impact of decrease of tax rate on deferred tax of previous year | - | (17.92) |
| Others | (13.93) | 0.08 |
| Tax recognised in the statement of profit and loss and OCI | 379.00 | 431.72 |

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

33 Related party transactions

| | (₹ in Crores) | | |
|---|--------------------|------------------------------|------------------------------|
| | Ownership interest | 31 st March, 2021 | 31 st March, 2020 |
| (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 | | 99.86 | 99.82 |
| Reflect Wholesale and Retail Private Limited | | 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(KMP): | | | |
| Mr. Ignatius Navil Noronha (Managing Director and Chief Executive Officer) | | | |
| Mr. Ramakant Baheti (Whole-time Director and Group Chief Financial Officer) | | | |
| Mr. Elvin Machado (Executive Director) | | | |
| Mrs. Manjri Chandak (Non Executive Director) | | | |
| Mr. Ramesh Damani (Chairman and Independent Director) | | | |
| Mr. Chandrashekhar B. Bhave (Independent Director) | | | |
| Ms. Kalpana Unadkat (Independent Director) | | | |
| Mr. Niladri Deb (Chief Financial Officer) | | | |
| Mrs. Ashu Gupta (Company Secretary) | | | |
| (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 | | | |
| Damani Estates and Finance Private Limited | | | |
| (v) Trusts: | | | |
| Avenue Supermarts Limited Employees Group Gratuity Trust | | | |
| D Mart Foundation | | | |

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

(b) Transaction with related parties

| | 31 st March, 2021 | 31 st March, 2020 |
|---|------------------------------|------------------------------|
| Remuneration to Directors/KMP* | 8.94 | 6.35 |
| Sitting fees to Directors | 0.26 | 0.29 |
| Commission to Independent Directors | 0.72 | 0.72 |
| Mentorship fees | ₹ 1 only | ₹ 1 only |
| Align Retail Trades Private Limited | | |
| Purchase of goods | 1,292.75 | 1,175.43 |
| Sales of Property, plant and equipment | 0.08 | 0.02 |
| Business support service income | 0.05 | 0.05 |
| ESOP expenses reimbursement | 0.04 | (0.03) |
| Balances as at : | | |
| Trade payables | 38.08 | 29.01 |
| Other receivables | 0.01 | 0.01 |
| Investment in share capital | 34.34 | 34.34 |
| Avenue Food Plaza Private Limited | | |
| Rent and amenities service income | 0.74 | 1.62 |
| Reimbursement of expenses | 0.28 | 0.79 |
| Balances as at : | | |
| Other receivables | 0.43 | 0.58 |
| 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 | 6.76 | 8.25 |
| Prepaid rent | 1.61 | 0.12 |
| Investment in share capital | 0.09 | 0.09 |
| Avenue E-Commerce Ltd. | | |
| Sale of goods | 452.37 | 193.44 |
| Purchase of goods | 1.35 | - |
| Sale of Property, plant and equipment | 2.33 | 0.13 |
| Rent Income | 8.02 | 2.07 |
| Business support service income | 4.49 | 1.01 |
| Business support service expense | 1.02 | - |
| ESOP expenses provided | 0.20 | 0.14 |
| Reimbursement of Income | 10.89 | 5.14 |
| Reimbursement of Expenses | 1.02 | 0.64 |
| Investment in shares | 115.00 | 75.30 |
| Balances as at : | | |
| Trade payables | 0.93 | - |
| Other payables | 1.45 | 0.84 |
| Trade receivables | 28.52 | 29.00 |
| Other receivables | - | 0.32 |
| Investment in share capital | 367.76 | 252.76 |
| Reflect Wholesale and Retail Private Limited | | |
| Investment in share capital | 0.10 | 0.10 |

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to the Standalone Financial Statements for the year ended 31st March, 2021

| | 31 st March, 2021 | 31 st March, 2020 | (₹ in Crores) |
|---|------------------------------|------------------------------|---------------|
| 7 Apple Hotels Private Limited | | | |
| Rent and amenities service income | 1.07 | 1.06 | |
| Employee Welfare Expenses | 0.05 | 0.12 | |
| Reimbursement of expenses | 0.15 | 0.27 | |
| Balances as at : | | | |
| Other receivables | 0.06 | 0.08 | |
| Other payables | 0.00 | 0.00 | |
| Bombay Swadeshi Stores Limited | | | |
| Rent and amenities service income | - | 0.04 | |
| Derive Trading and Resorts Private Limited | | | |
| Employee welfare expenses | 0.03 | 0.06 | |
| Balances as at : | | | |
| Other payables | 0.00 | - | |
| Damani Estates and Finance Private Limited | | | |
| Reimbursement of expenses | 6.17 | - | |
| Avenue Supermarts Limited Employees Group Gratuity Trust | | | |
| Contribution to trust | 8.05 | 12.01 | |
| D Mart Foundation | | | |
| Contribution to trust | 6.50 | 0.04 | |

*For the current year includes remuneration paid to Chief Financial Officer & Company Secretary.

Note:

1. ESOP granted to Mr. Elvin Machado NIL (31st March, 2020 : 1,20,000) under the ESOP Scheme 2016
2. Compensation to Directors/KMP of the company:

| Nature of Benefits | 31 st March, 2021 | 31 st March, 2020 | (₹ in Crores) |
|-------------------------------------|------------------------------|------------------------------|---------------|
| Short term employment benefits | 8.61 | 6.11 | |
| Post employment benefits | 0.33 | 0.24 | |
| Sitting fees | 0.26 | 0.29 | |
| Commission to Independent Directors | 0.72 | 0.72 | |

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

Guarantees given by the company on related parties :

| | 31 st March, 2021 | 31 st March, 2020 | (₹ in Crores) |
|--|------------------------------|------------------------------|---------------|
| Secured loans (Guarantee given for Align Retail Trades Private Limited) | - | 50.00 | |

Notes

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34 Assets pledged as security

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

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|---------------------------------------|---------------------------------------|---------------|
| Current assets | | | |
| Trade receivables | 72.10 | 48.53 | |
| Inventories | 963.05 | 1,909.43 | |
| Total current assets pledged as security | 1,035.15 | 1,957.96 | |
| Non current assets | | | |
| First charge | | | |
| Land (Freehold and Leasehold) | 5.73 | 193.06 | |
| Building | 7.24 | 498.18 | |
| Total non-current assets pledged as security* | 12.97 | 691.24 | |
| Total assets pledged as security | 1,048.12 | 2,649.20 | |

*Satisfaction of charge on non current assets is under process.

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:

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---|---------------------------------------|---------------------------------------|---------------|
| 1 Principal amount not due and remaining unpaid | 23.66 | 16.84 | |
| 2 Principal amount due and remaining unpaid | 0.93 | 0.40 | |
| 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 :

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---|---------------------------------------|---------------------------------------|---------------|
| Lease rent expenses recognized in the statement of Profit and Loss account | 1.21 | 1.03 | |
| 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 | - | - | |
| - For a period later than one year and not later than 5 years | - | - | |
| -For a period later than five years | - | - | |

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

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

37 Contingent liabilities and commitments

(a) Contingent liabilities

Claims against the company not acknowledged as debts

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|----------------------|---------------------------------------|---------------------------------------|---------------|
| Income tax matters | 3.24 | 3.12 | |
| Indirect tax matters | 7.24 | 2.15 | |
| Other matters | 0.84 | 0.84 | |
| Corporate Guarantee | - | 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 its financial statements. The company does not expect the outcome of these proceedings to have a materially adverse effect on its 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 foreseeable losses on such long term contracts has been made in the books of accounts.

(b) Capital commitments

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---|---------------------------------------|---------------------------------------|---------------|
| Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) relating to stores under construction | 2,816.65 | 2,150.91 | |

38 Expenditure towards corporate social responsibility (CSR) activities

| | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 | (₹ in Crores) |
|--|--|--|---------------|
| Amount required to be spent as per Section 135 of the Act * | 34.65 | 22.80 | |
| Amount spent during the year on: | | | |
| (i) Construction/acquisition of any asset | - | - | |
| (ii) On purposes other than (i) above | 35.59 | 17.86 | |
| Amount yet to be spent / (spend in excess) during the year on : | | | |
| (i) Construction/acquisition of any asset | - | - | |
| (ii) On purposes other than (i) above | (0.94) | 4.94 | |

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

*Includes unspent amount of previous year.

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".

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

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

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:

| | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 | (₹ in Crores) |
|--|--|--|---------------|
| Earnings per share has been computed as under: | | | |
| Profit for the year as per statement of Profit and Loss (₹ in Crores) : | 1,165.31 | 1,349.89 | |
| Weighted average number of equity shares outstanding for basic EPS | 647,774,691 | 628,137,345 | |
| Add : Weighted average number of potential equity shares on account of employee stock option schemes | 4,818,457 | 4,847,630 | |
| Weighted average number of equity shares outstanding for dilutive EPS | 652,593,148 | 632,984,975 | |
| Earnings Per Share (₹) - Basic (Face value of ₹ 10 per share) | 17.99 | 21.49 | |
| Earnings Per Share (₹) - Diluted (Face value of ₹ 10 per share) | 17.86 | 21.33 | |

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 and is NIL in the current year.

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 unobservable 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.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

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, 44,58,695 options lapsed (31st March, 2020: 38,43,095) and 36,91,105 options were vested (31st March, 2020 : 36,91,105) as at 31st March, 2021. Against the vested options, 36,90,205 (31st March, 2020 : 36,90,205) equity shares of ₹ 10/- each were allotted pursuant to exercise of options, and balance 900 (31st March, 2020 : 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 | 14 th March, 2017 | 14 th March, 2017 | 14 th March, 2017 |
| Exercise/Expiry date | 13 th March, 2026 | 13 th March, 2023 | 13 th September, 2019 |
| Grant/Exercise price | ₹ 299.00 | ₹ 299.00 | ₹ 299.00 |
| Method of settlement | Equity - settled | Equity - settled | Equity - settled |

Exercise period, would commence from the date of options are vested and will expire at the end of three months from the date of vesting.

Movement of options granted

| | For the year ended 31 st March, 2021 | | For the year ended 31 st March, 2020 | |
|---------------------------|--|----------------------|--|----------------------|
| | Average exercise price per share option | Number of options | Average exercise price per share option | Number of options |
| Opening balance | 299.00 | 6,439,125 | 299.00 | 12,233,475 |
| Granted during the year | 299.00 | - | 299.00 | - |
| Forfeited during the year | 299.00 | 615,600 | 299.00 | 2,121,245 |
| Vested during the year* | | - | | 3,673,105 |
| Closing balance | 5,823,525 | | | 6,439,125 |

* Vested options of 36,91,105 equity shares includes 36,73,105 shares options vested in FY 19-20, 14,400 share options vested in FY 18-19, 1,200 share options vested in FY 17-18 & 2,400 share options vested in FY 16-17.

The model inputs for fair value of option granted as on the grant date :

| Inputs | Option A | Option B | Option C |
|-------------------------|---------------|---------------|---------------|
| Exercise price | ₹ 299.00 | ₹ 299.00 | ₹ 299.00 |
| Dividend yield | 0% | 0% | 0% |
| Risk free interest rate | 6.98% | 7.24% | 6.77% |
| Expected volatility | 14.22% | 14.22% | 14.22% |
| Fair value per option | ₹ 144.94 | ₹ 112.93 | ₹ 58.63 |
| Model used | Black Scholes | Black Scholes | Black Scholes |

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

Expense arising from equity settled share based payments transactions :

| | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 | (₹ in Crores) |
|--|--|--|---------------|
| Total ESOP expenditure | 5.89 | 8.10 | |
| Less : Recovered from subsidiary | 0.04 | (0.03) | |
| Add : Payable to subsidiary | 0.20 | 0.14 | |
| Recognised in the statement of profit or loss | 6.05 | 8.27 | |

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 service or retirement whichever is earlier. The benefit vest after five years of continuous service. The gratuity paid is governed by The Payment of Gratuity Act, 1972. The company 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 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

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|---------------------------------------|---------------------------------------|---------------|
| Present value of benefit obligation at the beginning of the year | 32.20 | 20.44 | |
| Interest cost | 2.07 | 1.48 | |
| Current service cost | 6.62 | 4.36 | |
| Past service cost | - | - | |
| Benefit paid directly by the employer | - | - | |
| Benefit paid from the fund | (0.80) | (0.41) | |
| Actuarial (gains)/losses on obligations - due to change in financial assumptions | 0.41 | 1.42 | |
| Actuarial (gains)/losses on obligations - due to experience | 2.14 | 4.91 | |
| Present value of benefit obligation at the end of the year | 42.64 | 32.20 | |

2 Change in fair value of plan assets

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---|---------------------------------------|---------------------------------------|---------------|
| Fair value of plan assets at the beginning of the year | 32.62 | 18.43 | |
| Interest income | 2.09 | 1.33 | |
| Contributions by the employer | 8.05 | 12.01 | |
| Benefit paid from the fund | (0.80) | (0.41) | |
| Return on plan assets, excluding interest income | 0.64 | 1.26 | |
| Fair value of plan assets at the end of the year | 42.60 | 32.62 | |

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

3 Change in fair value of assets and obligations

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|---------------------------------------|---------------------------------------|---------------|
| Present value of benefit obligation at the end of the year | (42.64) | (32.20) | |
| Fair value of plan assets at the end of the year | 42.60 | 32.62 | |
| Funded status (surplus/ (deficit)) | (0.04) | 0.42 | |
| Current (liability)/asset | (0.04) | 0.42 | |
| Net (Liability)/Asset Recognized in the Balance Sheet | (0.04) | 0.42 | |

4 Net benefit expenses recognised during the year

| | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 | (₹ in Crores) |
|--|--|--|---------------|
| In the statement of Profit and Loss | | | |
| Current service cost | 6.62 | 4.36 | |
| Net interest cost | (0.02) | 0.14 | |
| Past service cost | - | - | |
| Net cost | 6.60 | 4.50 | |
| In other comprehensive income | | | |
| Actuarial (gains)/losses on obligation for the year | 2.56 | 6.33 | |
| Return on plan assets, excluding interest income | (0.64) | (1.26) | |
| Net (income)/expense for the year recognized in OCI | 1.92 | 5.07 | |

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 31 st March, 2021 | As at 31 st March, 2020 |
|----------------------------------|--|--|
| Expected return on plan assets | 6.26% | 6.43% |
| Rate of discounting | 6.26% | 6.43% |
| 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, 2021

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

| | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| Projected benefits payable in future years from the date of reporting | | |
| 1 st following year | 4.63 | 3.26 |
| 2 nd following year | 4.93 | 3.51 |
| 3 rd following year | 4.91 | 3.89 |
| 4 th following year | 4.91 | 3.69 |
| 5 th following year | 4.59 | 3.59 |
| Sum of years 6 To 10 | 17.91 | 13.81 |
| Sum of years 11 and above | 25.01 | 19.68 |

8 Sensitivity analysis

| | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| Projected benefit obligation on current assumptions | 42.64 | 32.19 |
| Delta effect of +1% change in rate of discounting | (2.34) | (1.78) |
| Delta effect of -1% change in rate of discounting | 2.63 | 2.01 |
| Delta effect of +1% change in rate of salary increase | 2.48 | 1.89 |
| Delta effect of -1% change in rate of salary increase | (2.26) | (1.71) |
| Delta effect of +1% change in rate of employee turnover | (0.47) | (0.37) |
| Delta effect of -1% change in rate of employee turnover | 0.50 | 0.40 |

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

These plans typically exposed the 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 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.

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46 Financial risk management

Financial risk management objectives and policies

The company's financial principal liabilities comprises borrowings, lease liabilities, 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 nor 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

| Particulars | (₹ in Crores) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Borrowings bearing variable rate of interest | - | 3.73 |

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 31 st March, 2021 | As at 31 st March, 2020 |
| 50 bp increase- decrease in profits | - | (0.02) |
| 50 bp decrease- Increase in profits | - | 0.02 |

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.

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.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

Maturity patterns of borrowings

| | As at 31 st March, 2021 | | | (₹ in Crores) |
|--|------------------------------------|---------------|----------------|---------------|
| | 0-1 years | 1-5 years | beyond 5 years | Total |
| Lease liability | 78.61 | 191.00 | 25.92 | 295.53 |
| Expected interest payable on lease liability | 27.00 | 46.05 | 23.38 | 96.44 |
| Total | 105.61 | 237.06 | 49.30 | 391.97 |

| | As at 31 st March, 2020 | | | (₹ in Crores) |
|---|------------------------------------|---------------|----------------|---------------|
| | 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 on borrowings | 3.20 | - | - | 3.20 |
| Expected interest payable on lease liability | 25.09 | 48.28 | 26.13 | 99.50 |
| Total | 130.31 | 194.25 | 58.29 | 382.85 |

Maturity patterns of other financial liabilities

As at 31st March, 2021

| | Overdue/ Payable on demand | 0-3 months | 3-6 months | 6 months to 12 months | beyond 12 months | Total |
|---|----------------------------------|------------|------------|--------------------------|---------------------|---------------|
| Trade payable | 565.54 | - | - | - | - | 565.54 |
| Payable related to capital goods | 144.50 | - | - | - | - | 144.50 |
| Other financial liabilities (current and non current) | 110.76 | - | - | - | 0.44 | 111.20 |
| Total | 820.80 | - | - | - | 0.44 | 821.24 |

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 | 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 |

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.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

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 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 Company elected to apply the standard to all contracts as at 1 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:

| Type of goods or service | (₹ in Crores) | |
|---|--|--|
| | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
| Sale of goods | 25,961.45 | 27,006.36 |
| Sale of goods on approval basis net of COGS | 5.16 | 8.12 |
| Other operating income | 57.82 | 32.71 |
| Tax | (2,237.23) | (2,372.18) |
| Total revenue from contract with customers | 23,787.20 | 24,675.01 |
| India | 23,787.20 | 24,675.01 |
| Outside India | - | - |
| Total revenue from contract with customers | 23,787.20 | 24,675.01 |
| Timing of revenue recognition | | |
| Goods transferred at a point in time | 23,729.38 | 24,642.30 |
| Services transferred over time (Other operating income) | 57.82 | 32.71 |
| Total revenue from contract with customers | 23,787.20 | 24,675.01 |

2. Contract balances:

| | (₹ in Crores) | |
|----------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Trade receivables | 72.10 | 48.53 |
| Contract liabilities | 0.78 | 1.79 |

48 Events after the reporting period

The company has evaluated subsequent events from the balance sheet date through 8th May, 2021, the date at which the financial statements were available to be issued, and determined that there are no material items to disclose other than those disclosed above.

Notes

to the Standalone Financial Statements for the year ended 31st March, 2021

- 49. The Code on Social Security 2020 has been notified in the Official Gazette on 29th Sep 2020, which could impact the contributions by the company towards certain employment benefits. The effective date from which the changes are applicable is yet to be notified, and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in period of notification of the relevant provisions.
- 50. We have considered the impact of COVID19 as evident so far in our above published financial results. The Company will also continue to closely monitor any material changes to future economic conditions which necessitate any further modifications.
- 51. 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

per **Vijay Maniar**
 Partner
 Membership No.: 36738
 Mumbai, 8th May, 2021

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
 Mumbai, 8th May, 2021

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 2021, 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 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, 2021, 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, 2021. 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

Assessment of impairment of goodwill (as described in note 1.d of the consolidated Ind AS financial statements)

The Group's balance sheet includes Rs 78.27 crores of goodwill.

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, 2021 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.

How our audit addressed the key audit matter

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 subsidiary 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, 2021, the carrying amount of inventories amounted to Rs 2,167.33 crore after considering allowances for Inventory shrinkage of Rs 14.81 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 counts were carried out at periodical intervals during the year and further judgmental factors are 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 count process. In testing these controls we observed the inventory count process at selected store and distribution centers on a sample basis, inspected the results of the inventory 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.
- We assessed the Group's disclosures concerning this in Note 1.k and 1.x on significant accounting estimates and judgements and Note 9 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 financial statements, including the disclosures, and whether the consolidated 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, 2021 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 financial statements include total assets of Rs 38.88 crore as at March 31, 2021, and total revenues of Rs 14.91 crore and net cash outflows of Rs 0.08 crore for the year ended on that date. These 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 reports 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, 2021 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, incorporated in India, is disqualified as on March 31, 2021 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 with reference to 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, 2021 has been paid / provided by the Holding Company, its subsidiaries, incorporated in India 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 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 Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2021.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar

Partner

Membership No.: 36738

UDIN: 21036738AAAADB2182

Mumbai; May 08, 2021

Annexure 1

To the Independent Auditor's Report of even date on the Consolidated Ind As Financial Statements of Avenue Supermarts Limited ('the Company')

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 (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements.

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

A company's internal financial control with reference to 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 with reference to 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.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Group ,which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31,2021, 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 issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, in so far as it relates to these three subsidiaries, 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: 21036738AAAADB2182

Mumbai; May 08, 2021

Consolidated Balance Sheet

as at 31st March, 2021

| | Notes | As at 31 st March, 2021 | As at 31 st March, 2020 (₹ in Crores) |
|--|-------|---------------------------------------|--|
| Assets | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 2 | 5,938.50 | 5,107.36 |
| (b) Capital work-in-progress | 2 | 1,019.59 | 364.40 |
| (c) Right-of-use assets | 3 | 960.24 | 717.33 |
| (d) Investment properties | 4 | 9.57 | 16.53 |
| (e) Goodwill | | 78.27 | 78.27 |
| (f) Intangible assets | 5 | 22.22 | 28.54 |
| (g) Financial assets | | | |
| (i) Other non-current financial assets | 6 | 1,109.28 | 3,122.67 |
| (h) Income tax assets (net) | | 1.63 | 8.25 |
| (i) Deferred tax assets (net) | 7 | 0.92 | 0.29 |
| (j) Other non-current assets | 8 | 454.62 | 285.14 |
| Total non-current assets | | 9,594.84 | 9,728.78 |
| Current assets | | | |
| (a) Inventories | 9 | 2,248.28 | 1,947.40 |
| (b) Financial assets | | | |
| (i) Investments | 10 | 2.95 | 14.68 |
| (ii) Trade receivables | 11 | 43.58 | 19.55 |
| (iii) Cash and cash equivalents | 12 | 191.50 | 105.87 |
| (iv) Bank balances other than cash and cash equivalents | 13 | 1,254.08 | 2.01 |
| (v) Other current financial assets | 14 | 167.91 | 109.06 |
| (c) Other current assets | 15 | 152.83 | 149.10 |
| Total current assets | | 4,061.13 | 2,347.67 |
| Total assets | | 13,655.97 | 12,076.45 |
| Equity and liabilities | | | |
| Equity | | | |
| (a) Equity share capital | 16 | 647.77 | 647.77 |
| (b) Other equity | 17 | 11,535.94 | 10,431.97 |
| Equity attributable to equity holders of the parent | | 12,183.71 | 11,079.74 |
| Non-controlling interest | | 0.40 | 0.46 |
| Total equity | | 12,184.11 | 11,080.20 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | - | - |
| (ii) Lease liability | 3 | 312.01 | 221.11 |
| (iii) Other non-current financial liabilities | 19 | 0.44 | 0.47 |
| (b) Provisions | 20 | 2.45 | 1.48 |
| (c) Deferred tax liabilities (net) | 21 | 51.19 | 47.39 |
| Total non-current liabilities | | 366.09 | 270.45 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 22 | - | 3.73 |
| (ii) Lease liability | 3 | 80.70 | 74.35 |
| (iii) Trade payables due to : | 23 | | |
| Micro and small enterprises | | 21.95 | 17.47 |
| Other than micro and small enterprises | | 556.18 | 415.98 |
| (iv) Other current financial liabilities | 24 | 269.78 | 177.94 |
| (b) Current tax liabilities (net) | | 112.66 | 0.45 |
| (c) Other current liabilities | 25 | 40.73 | 20.70 |
| (d) Provisions | 26 | 23.77 | 15.18 |
| Total current liabilities | | 1,105.77 | 725.80 |
| Total equity and liabilities | | 13,655.97 | 12,076.45 |
| Summary of significant accounting policies | 1 | | |

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

As per our report of even date

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

For **S R B C & CO LLP**
 Chartered Accountants
 ICAI firm registration number 324982E/E300003

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

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

per **Vijay Maniar**
 Partner
 Membership No. : 36738
 Mumbai, 8th May, 2021

Niladri Deb
 Chief Financial Officer

Ashu Gupta
 Company Secretary
 Mumbai, 8th May, 2021

Statement of Consolidated Profit and Loss

for the year ended 31st March, 2021

| | Notes | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 (₹ in Crores) |
|---|-------|--|---|
| Income | | | |
| Revenue from operations | 27 | 24,143.06 | 24,870.20 |
| Other income | 28 | 196.21 | 59.99 |
| Total Income | | 24,339.27 | 24,930.19 |
| Expenses | | | |
| Purchase of stock-in-trade | | 20,855.56 | 21,441.68 |
| Changes in inventories of stock-in-trade | 29 | (300.88) | (338.75) |
| Employee benefits expenses | 30 | 536.57 | 456.10 |
| Finance costs | 31 | 41.65 | 69.12 |
| Depreciation and amortisation expense | 32 | 414.16 | 374.41 |
| Other expenses | 33 | 1,308.76 | 1,182.86 |
| Total Expenses | | 22,855.82 | 23,185.42 |
| Profit before tax | | 1,483.45 | 1,744.77 |
| Tax expense | | | |
| Current tax | 34 | 394.69 | 459.74 |
| Deferred tax charge/(credit) | | 3.17 | (15.97) |
| Adjustment of tax related to earlier years | | (13.84) | 0.02 |
| Total Tax Expenses | | 384.02 | 443.79 |
| Net profit after tax | | 1,099.43 | 1,300.98 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurements loss on defined benefit plans | 47 | (2.35) | (5.38) |
| Less: Income tax effect | | 0.45 | 1.30 |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent year | | (1.90) | (4.08) |
| Total comprehensive income for the year | | 1,097.53 | 1,296.90 |
| Profit for the year | | 1,099.43 | 1,300.98 |
| Attributable to: | | | |
| Equity holders of the parent | | 1,099.49 | 1,301.08 |
| Non-controlling interests | | (0.06) | (0.10) |
| Total comprehensive income for the year | | 1,097.53 | 1,296.90 |
| Attributable to: | | | |
| Equity holders of the parent | | 1,097.59 | 1,297.00 |
| Non-controlling interests | | (0.06) | (0.10) |
| Earnings per equity share of ₹ 10 each: (in ₹) | 43 | | |
| Basic | | 16.97 | 20.71 |
| Diluted | | 16.85 | 20.55 |
| Summary of significant accounting policies | 1 | | |

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

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI firm registration number 324982E/E300003

per **Vijay Maniar**

Partner

Membership No. : 36738

Mumbai, 8th May, 2021

Ignatius Navil Noronha

Managing Director and

Chief Executive Officer

DIN : 01787989

Niladri Deb

Chief Financial Officer

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

Ramakant Baheti

Whole-time Director and

Group Chief Financial Officer

DIN : 00246480

Ashu Gupta

Company Secretary

Mumbai, 8th May, 2021

Statement of Consolidated Cash Flows

for the year ended 31st March, 2021

| | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|--|--|--|
| Cash flow from operating activities: | | (₹ in Crores) |
| Profit before tax | 1,483.45 | 1,744.77 |
| Adjustments for: | | |
| Depreciation and amortization expenses | 414.16 | 374.41 |
| Finance cost | 41.65 | 69.12 |
| Interest income | (178.13) | (32.49) |
| Profit on sale of investments | (2.56) | (10.16) |
| Expense on employee stock option scheme | 6.38 | 8.46 |
| Rent income | (2.89) | (2.88) |
| (Gain)/ loss on disposal of property, plant and equipment (net) | 1.78 | (2.45) |
| | 280.39 | 404.01 |
| Operating profit before working capital changes | 1,763.84 | 2,148.78 |
| Adjustments for: | | |
| Increase/(decrease) in trade payables | 144.68 | (29.82) |
| Increase/(decrease) in current provisions | 6.24 | (3.04) |
| Decrease in other current financial liabilities | 48.87 | 24.28 |
| Increase/(decrease) in other current liabilities | 20.03 | (2.24) |
| Increase in non-current provisions | 0.97 | 0.43 |
| Decrease in other non-current financial liabilities | (0.03) | (0.31) |
| (Increase)/decrease in trade receivables | (24.03) | 44.82 |
| Increase in inventories | (300.88) | (338.75) |
| Decrease in current investments | 11.73 | 1.85 |
| (Increase)/decrease in other non-current financial assets | (15.26) | (11.33) |
| Increase in bank balances other than cash and cash equivalents | (2.07) | (0.50) |
| Increase in other current assets | (4.79) | (42.43) |
| Increase in other financial assets | (12.59) | (19.20) |
| | (127.13) | (376.24) |
| Cash flow from operating activities | 1,636.71 | 1,772.54 |
| Direct taxes paid (net of refunds) | (261.57) | (492.40) |
| Net cash flow from operating activities | 1,375.14 | 1,280.14 |
| Cash flow from investing activities: | | |
| Proceeds from disposal of property, plant and equipment | 1.88 | 6.15 |
| Realisation from FDs of IPO proceeds | - | 92.58 |
| Realisation from FDs of QIP proceeds | 783.00 | 129.00 |
| Interest received | 129.09 | 11.84 |
| Gain on sale of investments | 2.56 | 10.16 |
| Rent income received | 2.89 | 2.88 |
| | 919.42 | 252.61 |
| Purchase of property, plant and equipment/ intangible assets/investment properties | (2,029.42) | (1,712.17) |
| QIP proceeds deposited in FDs | - | (3,197.00) |
| | (2,029.42) | (4,909.17) |
| Net cash flow used in investing activities | (1,110.00) | (4,656.56) |
| 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 |
| Proceeds from short term borrowings | 200.00 | 261.03 |
| Proceeds from commercial papers | - | 789.46 |
| Proceeds of non convertible debentures | - | 300.00 |
| | 200.00 | 5,587.34 |

Statement of Consolidated Cash Flows

for the year ended 31st March, 2021

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|---|-----------------|--|--|
| Repayment of long term borrowings | - | (200.00) | (200.00) |
| Repayment of short term borrowings | (203.73) | (315.00) | (315.00) |
| Repayment of commercial papers | - | (1,034.99) | (1,034.99) |
| Repayment of non convertible debentures | (34.00) | (512.00) | (512.00) |
| Payment of lease liability | (98.17) | (70.06) | (70.06) |
| Interest paid on lease liability | (37.50) | (29.70) | (29.70) |
| Interest paid | (6.10) | (68.17) | (68.17) |
| | (379.50) | (2,229.92) | (2,229.92) |
| Cash flow from/(used) in financing activities | (179.50) | 3,357.42 | 3,357.42 |
| Net increase/(decrease) in cash and cash equivalent | 85.64 | (19.00) | (19.00) |
| Cash and cash equivalents at beginning of the year (including bank overdraft balance) | 105.86 | 124.86 | 124.86 |
| Cash and cash equivalents at end of the year (including bank overdraft balance) | 191.50 | 105.86 | 105.86 |
| Cash and cash equivalents as per above comprises of the following | | | |
| Cash and cash equivalents (Refer note:12) | 191.50 | 105.87 | 105.87 |
| Bank overdrawn (Refer note:24) | - | (0.01) | (0.01) |
| Balance as per statement of cash flows | 191.50 | 105.86 | 105.86 |

The accompanying notes are an integral part of these financial statements

Notes:

i) **Reconciliation of borrowings**

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|--|---------------|--|--|
| Opening Balance | | | |
| Non- current borrowings (including current maturity) | 34.00 | 396.00 | 396.00 |
| Current borrowings | 3.73 | 304.15 | 304.15 |
| Movement of borrowings | | | |
| Cash Flow | | | |
| Non- current borrowings (including current maturity) | (34.00) | (362.00) | (362.00) |
| Current borrowings | (3.73) | (300.42) | (300.42) |
| Closing Balance | | | |
| Non- current borrowings (including current maturity) | - | 34.00 | 34.00 |
| Current borrowings | - | 3.73 | 3.73 |

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, 8th May, 2021

Mumbai, 8th May, 2021

Statement of Changes in Equity

for the year ended 31st March, 2021

A. Equity share capital

| | Notes | No. of Shares | ₹ in Crores |
|--|-------|--------------------|---------------|
| Equity share of ₹ 10 each issued, subscribed and fully paid | 16 | | |
| At 1 st April, 2019 | | 624,084,486 | 624.08 |
| Issue of Share Capital | | 23,690,205 | 23.69 |
| At 31st March, 2020 | | 647,774,691 | 647.77 |
| Issue of Share Capital | | - | - |
| At 31st March, 2021 | | 647,774,691 | 647.77 |

B. Other equity

| Notes | ₹ in Crores | | | | | | Total |
|---|--------------------|---------------------------|------------------------------|-------------------|------------------|--------------------------|------------------|
| | Securities premium | Share options outstanding | Debenture redemption reserve | Retained earnings | Other Equity | Non-controlling Interest | |
| Balance as at 1st April, 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 | 17 | (21.49) | - | - | (21.49) | - | (21.49) |
| Transferred from share options outstanding 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 |
| Profit for the year | - | - | - | 1,099.49 | 1,099.49 | (0.06) | 1,099.43 |
| Other comprehensive income for the year | - | - | - | (1.90) | (1.90) | - | (1.90) |
| Share option expense | 46 | - | 6.38 | - | 6.38 | - | 6.38 |
| Transfer from debenture redemption reserve | - | - | (8.50) | 8.50 | - | - | - |
| Balance as at 31st March, 2021 | 5,994.57 | 33.03 | - | 5,508.34 | 11,535.94 | 0.40 | 11,536.34 |

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

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 ,Avenue E-Commerce Limited Employee Stock Option Scheme, 2018 and Employee Stock Option Scheme, 2020.

Debenture redemption reserve

The Company is required to create a debenture redemption reserves out of profit which is available for the purpose of redemption of debentures in accordance with provisions of Companies Act 2013.

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

For S R B C & CO LLP

Chartered Accountants
 ICAI firm registration number 324982E/E300003

per Vijay Maniar

Partner
 Membership No. : 36738
 Mumbai, 8th May, 2021

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

Mumbai, 8th May, 2021

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

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 8th May, 2021.

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. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current."

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose or trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(iii) Rounding off amounts

The consolidated financial statements are presented in ₹ and all values are rounded to the nearest ₹ 0.00 crores, 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, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

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, 2021. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intraGroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intraGroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). IntraGroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intraGroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

(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 their specific useful lives. 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 (except for leasehold land which is amortised over the period of lease) over the useful life of asset as assessed by the management and the same is similar to the useful lives as prescribed in Part-C of Schedule II to the Companies Act, 2013. Depreciation is charged on pro-rata basis for asset purchased / sold during the year.

The assets residual values, useful life and method of depreciation of PPE are reviewed and adjusted if appropriate, at the end of each reporting period.

(d) Business combinations and goodwill

The Group has accounted business combinations using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

(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 1 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 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

Investments in property that are not intended to be occupied substantially for use by, or in the operations of The Group, have been classified as investment property. Investment properties are measured initially at its cost including transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent cost are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to The Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Though The Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

The Group depreciates its investment properties over the useful life which is similar to that of Property, Plant and Equipment

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(g) Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

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-of-use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is 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-of-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.

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

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments:

Subsequent measurement of debt instruments depends on The Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which The Group classifies its debt instruments:

* **Amortised cost:** A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to The Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

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* Fair value through other comprehensive income (FVOCI): A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, The Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

* Fair value through profit and loss: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity instruments:

The Group subsequently measures all equity investments at fair value. Where The Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when The Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through the Statement of Profit and Loss are recognised in other income / other expenses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, The Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

* The Group has transferred the rights to receive cash flows from the financial asset or

* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where The Group has transferred an asset, The Group evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where The Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where The Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if The Group has not retained control of the financial asset. Where The Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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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 Group or the counterparty.

(ii) *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.

(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 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.

(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.

(v) *Provisions and contingent liabilities*

Provisions are recognised when The Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of The Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognize a contingent asset unless the recovery is virtually certain.

(m) *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

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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 separately 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 using Effective Interest Rate (EIR). Interest income is included in the Other Income in the statement of Profit and Loss.

(n) Retirement and other employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured

at the amounts expected to be paid when the liabilities are settled.

Retirement benefit in the form of provident fund is a defined contribution plan. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related services. If the Contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligations

Defined benefit plans

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by

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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.

(o) 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 retranslated. 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.

(p) 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.

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to the Consolidated Financial Statements for the year ended 31st March, 2021

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 offset 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

(q) 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.

(r) Fair value measurement

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

Fair value is the price that would be received to sell an asset 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.

(s) 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

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to the Consolidated Financial Statements for the year ended 31st March, 2021

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.

(t) 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.

(u) 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.

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2 Property, plant and equipment

| | | | | | | | | | | ₹ in Crores) | |
|--|-------------------------------------|-------------------|----------------------------------|--------------------------|------------------------|---------------|---------------------------|-------------|---------------------|-----------------------------|-----------------|
| Cost | Freehold land (Refer note : 2.7) | Leasehold land | Buildings (Refer note : 1.46) | Leasehold improvement | Plant and equipment | Computers | Furniture and fixtures | Vehicles | Office equipment | Electrical installations | Total |
| Balance as at 1st April, 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 | - | 2,712.27 | 69.07 | 272.29 | 95.18 | 268.36 | 3.57 | 38.64 | 207.96 | 5,930.28 |
| Additions | 599.41 | - | 306.11 | 12.52 | 74.18 | 24.45 | 69.21 | 0.13 | 12.20 | 40.68 | 1,138.89 |
| Reclassification | (15.58) | - | 5.25 | - | - | - | - | - | - | - | (10.33) |
| Disposals | 0.11 | - | 0.11 | 0.58 | 2.65 | 0.49 | 4.32 | 0.12 | 1.14 | 0.88 | 10.40 |
| Balance as at 31st March, 2021 | 2,846.66 | - | 3,023.52 | 81.01 | 343.82 | 119.14 | 333.25 | 3.58 | 49.70 | 247.76 | 7,048.44 |
| Depreciation | | | | | | | | | | | |
| Balance as at 1st April, 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 |
| Charge for the year | - | - | 126.29 | 13.85 | 42.67 | 19.88 | 44.86 | 0.54 | 8.43 | 32.71 | 289.23 |
| Reclassification | - | - | 4.55 | - | - | - | - | - | - | - | 4.55 |
| Disposals | - | - | 0.06 | 0.45 | 2.31 | 0.45 | 1.83 | 0.09 | 0.92 | 0.65 | 6.76 |
| Balance as at 31st March, 2021 | - | - | 507.11 | 49.37 | 138.82 | 87.91 | 162.82 | 2.27 | 31.60 | 130.04 | 1,109.94 |
| Net book value | | | | | | | | | | | |
| 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 |
| Balance as at 31st March, 2021 | 2,846.66 | - | 2,516.41 | 31.64 | 205.00 | 31.23 | 170.43 | 1.31 | 18.10 | 117.72 | 5,938.50 |

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Notes:

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

| Particulars | (₹ in Crores) | As at 31 st March, 2021 | As at 31 st March, 2020 |
|-------------|---------------|---------------------------------------|---------------------------------------|
| Gross block | | 40.98 | 40.98 |
| Net block | | 30.97 | 32.71 |

- Freehold land includes ₹ 425.90 Crores (31st March, 2020 : ₹ 344.23 Crores) being property purchased, for which mutation is pending.

- Details of Capital work in progress-

| Particulars | (₹ in Crores) | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---------------------------------------|---------------|---------------------------------------|---------------------------------------|
| Opening Balance | | 364.40 | 376.84 |
| Additions during the year | | 1,100.67 | 729.12 |
| Transfer / Adjustment during the year | | (445.48) | (741.56) |
| Closing Balance | | 1,019.59 | 364.40 |

- Building and CWIP includes interest capitalised on borrowings ₹ Nil (31st March, 2020 : ₹ 16.97 Crores)

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

- Building includes Net book value of plant and equipment fitting of ₹ 27.66 Crores (31st March, 2020 : ₹ 34.79 crores).

- The land in Bhamti, Nagpur was purchased by the Parent Company from Pramod Walmandhare and others. The Parent Company has filed the Appeal no. 46 of 2017-18 before Deputy Director of Land records (DDL) at Nagpur thereby challenging the Order dated 07th July, 2017 (by virtue of which Ownership of the Pramod Walmandre and Others is affected) passed by Superintendent of Land Records, Nagpur. Title deed in respect of the said property is held in the name of The Avenue Supermarts Limited. The Appeal was heard by the Hon'ble DDLR on 21st December 2019 when Avenue Supermarts Limited advocate appeared and argued the above matter. The matter was then reserved for Order. However as the DDLR before whom the hearing was held on 21st December, 2019 has been transferred to some other place and therefore the newly appointed DDLR, Nagpur, has kept the matter for re-hearing on 30th March, 2021. However the same day matter was adjourned and the DDLR is yet to communicate with us the next date.

Notes

to the Consolidated Financial Statements as at 31st March, 2021

3 Right-of-use assets

| | Land (Refer note: 1) | Building | Plant & equipment | (₹ in Crores) 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 |
| Disposals | - | - | - | - |
| Balance as at 31st March, 2020 | 477.55 | 358.12 | - | 835.67 |
| Reclassification | 21.74 | - | - | 21.74 |
| Additions | 137.53 | 185.86 | 7.98 | 331.37 |
| Balance as at 31st March, 2021 | 636.82 | 543.98 | 7.98 | 1,188.78 |
| 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 |
| Reclassification | 0.50 | - | - | 0.50 |
| Charge for the year | 7.16 | 101.98 | 0.56 | 109.70 |
| Balance as at 31st March, 2021 | 30.38 | 197.60 | 0.56 | 228.54 |
| Net book value | | | | |
| Balance as at 31st March, 2020 | 454.83 | 262.50 | - | 717.33 |
| Balance as at 31st March, 2021 | 606.44 | 346.38 | 7.42 | 960.24 |

Notes:

1. Right-of-use Land includes following amounts paid as premium under built operate and transfer (BOT) arrangement

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|-------------|---------------------------------------|---------------------------------------|
| Gross block | 13.83 | 13.83 |
| Net block | 12.92 | 13.07 |

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.

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

Notes

to the Consolidated Financial Statements as at 31st March, 2021

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-of-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 Group recognised right of use assets and lease liabilities for those leases previously classified as operating leases, using term of non-cancellable period and management intention to extent, 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
- Used practical expedients which permits lessees not to account for COVID-19 related rent concessions as a lease modifications.

Lease liabilities

| Particulars | (₹ in Crores) | |
|----------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Opening | 295.46 | 256.06 |
| Recognised during the year | 232.92 | 139.16 |
| Repayments during the year | (135.67) | (99.76) |
| Closing | 392.71 | 295.46 |
| Non Current | 312.01 | 221.11 |
| Current | 80.70 | 74.35 |

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

| Particulars | (₹ in Crores) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Amortisations expense of right-of-use assets (Refer note: 32) | 109.70 | 101.43 |
| Interest expense on lease liabilities (Refer note: 31) | 37.50 | 28.91 |
| Expense relating to short-term leases (included in other expenses) (Refer note: 33) | 1.32 | 1.13 |
| Total amount recognised in the statement of profit or loss | 148.52 | 131.47 |

The Group had total cash outflows for leases of ₹ 135.67 crores (31st March, 2020 ₹ 99.76 crores) and also had non-cash additions to right-of-use assets and lease liabilities of ₹ 193.84 crores (31st March, 2020 ₹ 120.43 crores).

Notes

to the Consolidated Financial Statements as at 31st March, 2021

4 Investment properties

| | (₹ in Crores) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Cost | | |
| Opening balance | 20.94 | 21.64 |
| Adjustment/transfer to PPE | (11.41) | (0.70) |
| Closing balance | 9.53 | 20.94 |
| Depreciation | | |
| Opening balance | (4.41) | (3.54) |
| Charge for the year | (0.59) | (1.02) |
| Adjustment/transfer to PPE | 5.04 | 0.15 |
| Closing balance | 0.04 | (4.41) |
| Net book value | 9.57 | 16.53 |
| 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 ₹ Nil Crores) | 1.22 | 4.21 |
| Direct operating expenses from property that generated rental income | 0.19 | 0.66 |
| Income from investment properties before depreciation | 1.03 | 3.55 |
| Depreciation | 0.59 | 1.02 |
| Income from investment properties | 0.44 | 2.53 |
| (ii) Fair value | | |
| Investment properties | 54.10 | 141.45 |

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, 2021

5 Intangible assets

| | Computer software | Trademarks | (₹ in Crores) Total |
|--|-------------------|-------------|------------------------|
| Cost | | | |
| Balance as at 1 st April, 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 |
| Additions | 9.59 | - | 9.59 |
| Disposals | 0.02 | - | 0.02 |
| Balance as at 31st March, 2021 | 71.04 | 0.02 | 71.06 |
| Amortisation | | | |
| Balance as at 1 st April, 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 |
| Charge for the year | 15.89 | - | 15.89 |
| Disposals | - | - | - |
| Balance as at 31st March, 2021 | 48.83 | 0.01 | 48.84 |
| Net book value | | | |
| Balance as at 31 st March, 2020 | 28.53 | 0.01 | 28.54 |
| Balance as at 31 st March, 2021 | 22.21 | 0.01 | 22.22 |

6 Other non-current financial assets

| | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Rent deposits given | 41.16 | 25.50 |
| Other deposits | 31.76 | 27.89 |
| Margin money deposits with banks (held as lien by bank against bank guarantees) | 0.93 | 0.87 |
| Long term deposits with banks with maturity period more than 12 months (Provided as security for various regulatory registrations) | 0.43 | 0.41 |
| Long term deposits with banks with maturity period more than 12 months | 1,035.00 | 3,068.00 |
| Total | 1,109.28 | 3,122.67 |

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

7 Deferred tax assets (net)

| | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Deferred tax liability on account of: | | |
| - Depreciation | 0.01 | - |
| Deferred tax assets on account of: | | |
| - Right-of-use assets | 0.07 | 0.01 |
| - Depreciation | 0.69 | 0.13 |
| - Employee benefits | 0.17 | 0.15 |
| Deferred tax assets (net) | 0.92 | 0.29 |

Notes

to the Consolidated Financial Statements as at 31st March, 2021

| Movement in deferred tax assets and deferred tax liabilities | Property plant and equipment | Employee benefits & right-of-use assets | Total |
|--|------------------------------|---|-------|
| At 1st April 2019 | 0.08 | 0.14 | 0.22 |
| Charged / (Credited) to Profit and Loss | 0.05 | 0.02 | 0.07 |
| At 31st March 2020 | 0.13 | 0.16 | 0.29 |
| Charged / (Credited) to Profit and Loss | 0.57 | 0.06 | 0.63 |
| At 31st March 2021 | 0.70 | 0.22 | 0.92 |

8 Other non-current assets

| | (₹ in Crores) | |
|------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Capital advances | 452.46 | 284.04 |
| Prepaid Expenses | 2.16 | 1.10 |
| Total | 454.62 | 285.14 |

9 Inventories

| | (₹ in Crores) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Stock-in-trade (at lower of cost and net realisable value) | 2,244.94 | 1,945.61 |
| Stock of packing material | 3.34 | 1.79 |
| Total | 2,248.28 | 1,947.40 |

10 Current investments

| | (₹ in Crores) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Investment in mutual funds | | |
| Unquoted | | |
| 7,339.216 [31 st March, 2020 24,870.188] HDFC Liquid Fund - Growth | 2.95 | 14.68 |
| Total | 2.95 | 14.68 |
| Aggregate amount of unquoted investments | 2.95 | 14.68 |
| Aggregate amount of impairment in the value of investment | - | - |

11 Trade receivables

| | (₹ in Crores) | |
|----------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Considered good | | |
| Unsecured | | |
| Other than related parties | 43.58 | 19.55 |
| Total | 43.58 | 19.55 |

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, 2021

12 Cash and cash equivalents

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---|---------------------------------------|---------------------------------------|---------------|
| Balances with banks - In current accounts | 157.35 | 58.17 | |
| Cash on hand | 34.15 | 47.70 | |
| Total | 191.50 | 105.87 | |

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

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|---------------------------------------|---------------------------------------|---------------|
| Total cash and cash equivalents | 191.50 | 105.87 | |
| Less: Overdrawn bank balances (Refer note: 24) | - | (0.01) | |
| Cash and cash Equivalents for cash flow purpose | 191.50 | 105.86 | |

13 Bank balances other than cash and cash equivalents

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---|---------------------------------------|---------------------------------------|---------------|
| Margin money deposits with bank (held as lien by bank against guarantees) | 0.88 | 0.86 | |
| Deposits with bank | 1,253.20 | 1.15 | |
| Total | 1,254.08 | 2.01 | |

14 Other current financial assets

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|---------------------------------------|---------------------------------------|---------------|
| Rent deposits given | 10.31 | 13.09 | |
| Advances recoverable in cash or in kind or in value to be received | 83.17 | 70.65 | |
| Interest receivable | 72.53 | 23.49 | |
| Advances to employees | 1.90 | 1.83 | |
| Total | 167.91 | 109.06 | |

The above current financial assets are carried at amortised cost.

15 Other current assets

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---|---------------------------------------|---------------------------------------|---------------|
| Prepaid Expenses | 6.06 | 6.32 | |
| Advances to suppliers | 72.80 | 85.74 | |
| Balance with government authorities | 63.95 | 49.82 | |
| Fund in gratuity trust (Refer note : 47) | - | 0.42 | |
| Others Receivables (Refer note: 35) | 0.13 | 0.15 | |
| Others | 9.89 | 6.65 | |
| Total | 152.83 | 149.10 | |

Notes

to the Consolidated Financial Statements as at 31st March, 2021

16 Equity share capital

| | | (₹ in Crores) | |
|--|------------------------------|---------------|------------------------------|
| | As at | | As at |
| | 31 st March, 2021 | | 31 st March, 2020 |
| A. Authorised | | | |
| 750,000,000 [31 st March, 2020: 750,000,000] equity Shares of ₹ 10 each | 750.00 | | 750.00 |
| Issued, subscribed and fully paid up | | | |
| 647,774,691 [31 st March, 2020: 647,774,691] equity Shares of ₹ 10 each | 647.77 | | 647.77 |
| | 647.77 | | 647.77 |
| Notes: | | | |
| a) Reconciliation of number of shares | | | |
| Balance at the beginning of the year | | | |
| No. of shares | 647,774,691 | | 624,084,486 |
| Amount in ₹ Crores | 647.77 | | 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 | | 647,774,691 |
| Amount in ₹ Crores | 647.77 | | 647.77 |

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 company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f. 21 March, 2017.

Utilisation of IPO proceeds are as follows:-

| Particulars | Planned as per Prospectus | Utilisation upto 31 st March, 2021 |
|---|------------------------------|--|
| 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 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, 2021 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 company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company if declares dividend would pay dividend in Indian rupees. The dividend if proposed by the Board of Directors would be subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes

to the Consolidated Financial Statements as at 31st March, 2021

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

Information relating to Avenue Supermarts limited Employee Stock Option Scheme, 2016, and Avenue E-Commerce Limited Employee Stock Option Scheme, 2018 and Employee Stock Option Scheme, 2020. 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 Company**

| | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| Mr. Radhakishan S. Damani | 222,159,156 | 222,159,156 |
| - % holding of shares | 34.30% | 34.30% |
| Mr. Gopikishan S. Damani | 49,480,000 | 49,480,000 |
| - % holding of shares | 7.64% | 7.64% |
| Bright Star Investments Private Limited | 88,750,000 | 88,750,000 |
| - % holding of shares | 13.70% | 13.70% |

17 Other equity

| | (₹ in Crores) | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------------------|---------------------------------------|---------------------------------------|
| (a) Securities premium | | | |
| Opening balance | 5,994.57 | 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 | 5,994.57 | |
| (b) Debenture Redemption Reserve | | | |
| Opening balance | 8.50 | 59.65 | |
| Appropriations/reversal during the year | (8.50) | (51.15) | |
| Closing balance | - | 8.50 | |
| (c) Share Options Outstanding | | | |
| Opening balance | 26.65 | 39.83 | |
| Share option expense | 6.38 | 8.45 | |
| Transferred from retained earnings account on lapse of vested options | - | 0.01 | |
| Exercise of share option | - | (21.64) | |
| Closing balance | 33.03 | 26.65 | |
| (d) Retained earnings | | | |
| Opening balance | 4,402.25 | 3,054.12 | |
| Net Profit for the year | 1,099.49 | 1,301.08 | |
| Items of other comprehensive income recognised directly in retained earnings | | | |
| - Remeasurements of post-employment benefit obligation, net of tax | (1.90) | (4.09) | |
| - Transfer to/from debenture redemption reserve | 8.50 | 51.15 | |
| - Transferred from share options outstanding on lapse of vested options | - | (0.01) | |
| Closing balance | 5,508.34 | 4,402.25 | |
| Total other equity | 11,535.94 | 10,431.97 | |

Notes

to the Consolidated Financial Statements as at 31st March, 2021

18 Non-current borrowings

| | (₹ in Crores) | As at | As at |
|---|---------------|------------------------------|------------------------------|
| | | 31 st March, 2021 | 31 st March, 2020 |
| Secured | | | |
| Non convertible debentures | | - | 34.00 |
| Less : Current maturities disclosed in other current financial liabilities (Refer note: 24) | | - | (34.00) |
| Total | | - | - |

Nature of security and terms of repayment for borrowings:

| Sr. No. | Nature of Security | Terms of Payment |
|---------|--|---|
| 1 | Non convertible debentures (NCD) were secured by way of mortgage of specific stores properties to the Debenture Trustee. | NCD for ₹ 34 Crores is redeemed on 20 th August 2020. Rate of interest was 9.40% p.a. |

19 Other non-current financial liabilities

| | (₹ in Crores) | As at | As at |
|---------------------|---------------|------------------------------|------------------------------|
| | | 31 st March, 2021 | 31 st March, 2020 |
| Rent deposits taken | 0.44 | 0.47 | 0.47 |
| Total | 0.44 | 0.47 | 0.47 |

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

20 Provisions

| | (₹ in Crores) | As at | As at |
|---------------------------------|---------------|------------------------------|------------------------------|
| | | 31 st March, 2021 | 31 st March, 2020 |
| Provision for employee benefits | | | |
| Gratuity (Refer note : 47) | 2.45 | 1.48 | 1.48 |
| Total | 2.45 | 1.48 | 1.48 |

21 Deferred tax liabilities (net)

| | (₹ in Crores) | As at | As at |
|---|---------------|------------------------------|------------------------------|
| | | 31 st March, 2021 | 31 st March, 2020 |
| Deferred tax liability on account of: | | | |
| - Depreciation | 65.65 | 55.50 | 55.50 |
| - Fair value gain on financial instruments at fair value through statement of profit and loss | - | 0.14 | 0.14 |
| Deferred tax assets on account of: | | | |
| - Employee benefits | 5.58 | 3.94 | 3.94 |
| - Right-of-use assets | 8.17 | 3.44 | 3.44 |
| - Unrealised profit on consolidation | 0.71 | 0.87 | 0.87 |
| Deferred tax liabilities (net) | 51.19 | 47.39 | 47.39 |

Notes

to the Consolidated Financial Statements as at 31st March, 2021

Movement of deferred tax liabilities and deferred tax assets

| | Unearmarked profit on consolidation | Property plant and equipment | Others | (₹ in Crores) Total |
|--|--|---------------------------------|----------------|------------------------|
| At 1st April, 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 |
| Charged / (Credited) to Profit and Loss | 0.16 | 10.15 | (6.51) | 3.80 |
| At 31st March, 2021 | (0.71) | 65.65 | (13.75) | 51.19 |

22 Current borrowings

| | (₹ in Crores) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| A. Secured | | |
| Working capital loans from banks (Payable on demand) | - | 3.73 |
| (Working capital loan from banks are secured by hypothecation of inventories, trade receivables, both present and future) | | |
| Total | - | 3.73 |

At 31st March 2021, the Group had available ₹ 489.36 Crores (31st March, 2020: ₹ 940.53 Crores) of undrawn committed borrowing facilities.

23 Trade payables

| | (₹ in Crores) | |
|----------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Trade payables | 578.13 | 433.45 |
| Total | 578.13 | 433.45 |

(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 | 21.95 | 17.47 |
|--|-------|-------|

Notes

to the Consolidated Financial Statements as at 31st March, 2021

24 Other current financial liabilities

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|---------------------------------------|---------------------------------------|---------------|
| Other financial liabilities measured at amortised cost: | | | |
| Current maturities of debentures (Refer note : 18) | - | 34.00 | |
| Interest accrued but not due on borrowings | - | 1.96 | |
| Escrow deposits received* | 62.35 | 22.04 | |
| Overdrawn bank balances | - | 0.01 | |
| Salary and wages payable | 55.33 | 46.77 | |
| Capital creditors ** | 151.96 | 73.02 | |
| Other payables | 0.14 | 0.14 | |
| Total | 269.78 | 177.94 | |

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

**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 | 4.62 | - |
|--|------|---|

25 Other current liabilities

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|---------------------------------------|---------------------------------------|---------------|
| Statutory dues | | | |
| Others payables | 37.12 | 18.16 | |
| Other payables - Related Party (Refer note : 35) | 1.53 | 2.24 | |
| Total | 2.08 | 0.30 | |
| Total | 40.73 | 20.70 | |

26 Provisions

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|--|---------------------------------------|---------------------------------------|---------------|
| Provision for employee benefits | | | |
| Gratuity (Refer note : 47) | 0.04 | - | |
| Leave entitlement | 23.73 | 15.18 | |
| Total | 23.77 | 15.18 | |

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

27 Revenue from operations

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|---|------------------|--|--|
| Sale of goods | 26,306.45 | 27,202.44 | |
| Sale of goods on approval basis | 31.79 | 49.56 | |
| Less : Cost of goods sold on approval basis | (26.63) | (41.44) | |
| | 26,311.61 | 27,210.56 | |
| Less : Tax | (2,239.79) | (2,377.91) | |
| Other operating income | 71.24 | 37.55 | |
| Total | 24,143.06 | 24,870.20 | |

28 Other income

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|--|---------------|--|--|
| Interest on deposits and advances | 178.13 | 32.49 | |
| Rent and amenities service income (Refer note 4) | 2.89 | 2.88 | |
| Gain on sale of current investment | 2.56 | 10.16 | |
| Gain on sale/discardment of PPE (net) | - | 2.45 | |
| Exchange gain (net) | 7.73 | 8.63 | |
| Miscellaneous income | 4.90 | 3.38 | |
| Total | 196.21 | 59.99 | |

29 Changes in inventories of stock-in-trade

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|---------------|-----------------|--|--|
| Closing stock | 2,248.28 | 1,947.40 | |
| Opening stock | 1,947.40 | 1,608.65 | |
| Total | (300.88) | (338.75) | |

30 Employee benefits expenses

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|--|---------------|--|--|
| Salaries, allowances and others | 454.26 | 386.99 | |
| Expense on employee stock option scheme (Refer note: 46) | 6.38 | 8.46 | |
| Contribution to provident fund and other funds | 32.41 | 26.48 | |
| Employee welfare expenses | 43.52 | 34.17 | |
| Total | 536.57 | 456.10 | |

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

31 Finance costs

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|--|---------------|--|--|
| Interest on term loans from banks | | - | 12.22 |
| Interest on non convertible debentures | | 1.23 | 24.76 |
| Interest Others (Refer note:3) | | 40.17 | 47.96 |
| | | 41.40 | 84.94 |
| Less : Capitalised (Refer note:2) | | - | (16.97) |
| | | 41.40 | 67.97 |
| Finance charges | | 0.25 | 1.15 |
| Total | | 41.65 | 69.12 |

32 Depreciation and amortisation expense

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|---------------------------------------|---------------|--|--|
| Depreciation/ amortisation on: | | | |
| - Tangible assets (Refer note: 2) | | 289.23 | 261.87 |
| - Right-of-use assets (Refer note:3) | | 109.70 | 101.43 |
| - Investment property (Refer note: 4) | | 0.59 | 1.02 |
| - Intangible assets (Refer note: 5) | | 15.89 | 10.83 |
| | | 415.41 | 375.15 |
| Less : Capitalised | | (1.25) | (0.74) |
| Total | | 414.16 | 374.41 |

33 Other expenses

| | (₹ in Crores) | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
|---|---------------|--|--|
| Contract labour charges | | 663.29 | 565.19 |
| Rent (Refer note: 38) | | 1.32 | 1.13 |
| Electricity and fuel charges | | 174.20 | 188.24 |
| Insurance | | 7.81 | 6.60 |
| Rates and taxes | | 26.93 | 21.44 |
| Repairs and maintenance: | | | |
| - Building | | 17.14 | 17.72 |
| - Plant and machinery | | 44.55 | 44.78 |
| - Others | | 21.45 | 18.27 |
| Packing expenses | | 30.85 | 33.07 |
| Printing & Stationery | | 14.13 | 14.96 |
| Communication charges | | 5.69 | 4.80 |
| Legal and professional fees | | 8.04 | 10.91 |
| Travelling and conveyance | | 13.22 | 25.62 |
| Directors fees | | 1.01 | 1.04 |
| Payment to auditors | | | |
| - Audit fees | | 0.69 | 0.64 |
| - Other services | | 0.01 | 0.02 |
| - Reimbursement of expenses | | - | 0.04 |
| Miscellaneous expenses | | 240.48 | 210.21 |
| Expenditure towards corporate social responsibility (CSR) activities (Refer note: 40) | | 36.17 | 18.18 |
| Loss on sale/discardment of PPE (net) | | 1.78 | - |
| Total | | 1,308.76 | 1,182.86 |

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

34 Tax expenses

| | (₹ in Crores) | |
|---|--|--|
| | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 |
| Tax expense recognized in the statement of Profit and Loss | | |
| (a) Tax expense | | |
| Current tax | | |
| Current tax on profits for the year recognised in statement of profit and loss | 394.69 | 459.74 |
| Current tax on Re-measurements gains/(loss) on defined benefit plans recognised in OCI | (0.45) | (1.30) |
| Adjustment of tax related to earlier years | (13.84) | 0.02 |
| Total current tax expense | 380.40 | 458.46 |
| Deferred tax | | |
| (Decrease) increase in deferred tax | | |
| Total deferred tax expense/(benefit) | 3.17 | (15.97) |
| Total tax expense | 383.57 | 442.49 |
| (b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate: | | |
| Accounting profit before tax | 1,483.45 | 1,744.77 |
| Tax calculated at tax rates applicable to profit @ 25.168% | 373.35 | 439.12 |
| Permanent differences due to: | | |
| Donations | 0.01 | 0.08 |
| Deduction taken for 80JJA others | (4.49) | (3.23) |
| Corporate social responsibility | 9.10 | 4.58 |
| Interest on income tax | 0.42 | (0.01) |
| Fines and penalty | 0.06 | 0.02 |
| Deduction from income from house property | (0.82) | (0.52) |
| Impact of increase/(decrease) of tax rate on deferred tax of previous year | - | (17.95) |
| Others | 5.94 | 20.40 |
| Tax recognised in the statement of profit and loss and OCI | 383.57 | 442.49 |

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

35 Related party transactions

| | Ownership interest | |
|---|------------------------------|------------------------------|
| | 31 st March, 2021 | 31 st March, 2020 |
| (i) Subsidiary companies : | | |
| Avenue Food Plaza Private Limited (APPPL) | 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) | 99.86 | 99.82 |
| Reflect Wholesale and Retail Private Limited | 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 (KMP): | | |
| Mr. Ignatius Navil Noronha (Managing Director and Chief Executive Officer) | | |
| Mr. Ramakant Baheti (Whole-time Director and Group Chief Financial Officer) | | |
| Mr. Elvin Machado (Executive Director) | | |
| Mrs. Manjri Chandak (Non Executive Director) | | |
| Mr. Ramesh Damani (Chairman and Independent Director) | | |
| Mr. Chandrashekhar B. Bhave (Independent Director) | | |
| Ms. Kalpana Unadkat (Independent Director) | | |
| Mr. Niladri Deb (Chief Financial Officer) | | |
| Mrs. Ashu Gupta (Company Secretary) | | |
| Mr. Navin Nerurkar (Director of ARTPL and APPPL) | | |
| Mr. Prakash Pachisia (Director of ARTPL and APPPL) | | |
| Mr. Utpal Patel (Whole Time Director - w.e.f December 02, 2020 of AEL) | | |
| 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 | | |
| Damani Estates and Finance Private Limited | | |
| (v) Trust : | | |
| Avenue Supermarts Limited Employees Group Gratuity Trust | | |
| D Mart Foundation | | |

(b) Transaction with related parties

| | ₹ in Crores) | |
|-------------------------------------|------------------------------|------------------------------|
| | 31 st March, 2021 | 31 st March, 2020 |
| Remuneration to Directors/KMP * | 15.76 | 11.31 |
| Sitting fees to Directors | 0.29 | 0.32 |
| Commission to Independent Directors | 0.72 | 0.72 |
| Mentorship fees | ₹ 1 only | ₹ 1 only |
| Balances as at : | | |
| Other payable | 2.08 | 0.30 |
| Other receivables | 0.07 | 0.07 |

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

| | (₹ in Crores) | |
|---|------------------------------|------------------------------|
| | 31 st March, 2021 | 31 st March, 2020 |
| 7 Apple Hotels Private Limited | | |
| Rent and amenities service income | 1.07 | 1.06 |
| Employee welfare expenses | 0.05 | 0.12 |
| Reimbursement of expenses | 0.15 | 0.27 |
| Balances as at : | | |
| Other receivables | 0.06 | 0.08 |
| Other payables | 0.00 | 0.00 |
| Bombay Swadeshi Stores Limited | | |
| Rent and amenities service income | - | 0.04 |
| Derive Trading and Resorts Private Limited | | |
| Employee welfare expenses | 0.03 | 0.06 |
| Balances as at : | | |
| Other payables | 0.00 | - |
| Damani Estates and Finance Private Limited | | |
| Reimbursement of expenses | 6.17 | - |
| Avenue Supermarts Limited Employees Group Gratuity Trust | | |
| Contribution to trust | 8.05 | 12.01 |
| D Mart Foundation | | |
| Contribution to trust | 6.50 | 0.04 |

* For the current year includes remuneration paid to the Chief Financial Officer & Company Secretary

Note :

1. ESOP granted to Mr. Elvin Machado NIL (31st March, 2020 : 1,20,000) under the Avenue Supermarts Limited Employee Stock Option Scheme, 2016.
2. Compensation to Directors/KMP of The Group:

| Nature of Benefit | (₹ in Crores) | |
|-------------------------------------|------------------------------|------------------------------|
| | 31 st March, 2021 | 31 st March, 2020 |
| Short term employment benefits | 15.37 | 11.01 |
| Post employment benefits | 0.39 | 0.30 |
| Sitting fees | 0.29 | 0.32 |
| Commission to independent directors | 0.72 | 0.72 |

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

36 Assets pledged as security

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

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---|---------------------------------------|---------------------------------------|---------------|
| Current Assets | | | |
| Trade receivables | 72.10 | 77.54 | |
| Inventories | 963.05 | 1,931.71 | |
| Total current assets pledged as security | 1,106.75 | 2,009.25 | |
| Non current assets | | | |
| First charge | | | |
| Land (Freehold & Leasehold) | 5.73 | 193.06 | |
| Building | 7.24 | 498.18 | |
| Total non-current assets pledged as security * | 12.97 | 691.24 | |
| Total assets pledged as security | 1,119.72 | 2,700.49 | |

* Satisfaction of charge on non- current assets is under process.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

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 company are as under:

| | (₹ in Crores) | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------|---------------------------------------|---------------------------------------|
| 1 Principal amount not due and remaining unpaid | 25.65 | 17.07 | |
| 2 Principal amount due and remaining unpaid | 0.93 | 0.40 | |
| 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 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------|---------------------------------------|---------------------------------------|
| Lease rent expenses recognized in the statement of Profit and Loss account | 1.32 | 1.13 | |
| 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 | - | - | |
| - For a period later than one year and not later than 5 years | - | - | |
| - For a period later than five years | - | - | |

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 31 st March, 2021 | As at 31 st March, 2020 |
|----------------------|---------------|---------------------------------------|---------------------------------------|
| Income tax matters | 3.27 | 3.12 | |
| Indirect tax matters | 7.24 | 2.15 | |
| Other matters | 0.84 | 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 its financial statements. The group does not expect the outcome of these proceedings to have a materially adverse effect on its 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.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

(b) Capital commitments

| | As at 31 st March, 2021 | As at 31 st March, 2020 | (₹ in Crores) |
|---|---------------------------------------|---------------------------------------|---------------|
| Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) relating to stores under construction | 2,848.06 | 2,158.73 | |

40 Expenditure towards corporate social responsibility (CSR) activities

| | For the year ended 31 st March, 2021 | For the year ended 31 st March, 2020 | (₹ in Crores) |
|---|--|--|---------------|
| Amount required to be spent as per Section 135 of the Act * | 35.17 | 23.14 | |
| Amount spent during the year on: | | | |
| (i) Construction/acquisition of any asset | - | - | |
| (ii) On purposes other than (i) above | 36.17 | 18.18 | |
| Amount yet to spent/ (spent in excess) during the year on: | | | |
| (i) Construction/acquisition of any asset | - | - | |
| (ii) On purposes other than (i) above | (1.00) | 4.96 | |

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

*Includes unspent amount of previous year.

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 31 st March, 2021 | For the year ended 31 st March, 2020 |
|---|--|--|
| Earnings per share has been computed as under: | | |
| Profit for the year as per statement of Profit and Loss (₹ in Crores) : | 1,099.49 | 1,301.08 |
| Weighted average number of equity shares outstanding for basic EPS | 647,774,691 | 628,137,345 |
| Add: Weighted average number of potential equity shares on account of employee stock option schemes | 4,818,457 | 4,847,630 |
| Weighted average number of equity shares outstanding for dilutive EPS | 652,593,148 | 632,984,975 |
| Earnings Per Share (₹) - Basic (Face value of ₹ 10 per share) | 16.97 | 20.71 |
| Earnings Per Share (₹) - Diluted (Face value of ₹ 10 per share) | 16.85 | 20.55 |

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

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 group 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 March 31, 2020. Certain proceeds from the IPO and QIP have been used for repayment of borrowings which have significantly reduced the group's borrowings and is NIL in the current year.

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 input that were not observed 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 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, 44,58,695 options lapsed (31st March, 2020: 38,43,095) and 36,91,105 options were vested (31st March, 2020 : 36,91,105) as at 31st March, 2021. Against the vested options, 36,90,205 (31st March, 2020 : 36,90,205) equity shares of ₹ 10/- each were allotted pursuant to exercise of options, and balance 900 (31st March, 2020 : 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 | 14 th March, 2017 | 14 th March, 2017 | 14 th March, 2017 |
| Exercise/Expiry date | 13 th March, 2026 | 13 th March, 2023 | 13 th 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.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

Movement of options granted

| | For the year ended 31 st March, 2021 | | For the year ended 31 st March, 2020 | |
|---------------------------|--|----------------------|--|----------------------|
| | Average exercise price per share option | Number of options | Average exercise price per share option | Number of options |
| Opening balance | 299.00 | 6,439,125 | 299.00 | 12,233,475 |
| Granted during the year | 299.00 | - | 299.00 | - |
| Forfeited during the year | 299.00 | 615,600 | 299.00 | 2,121,245 |
| Vested during the year * | | | | 3,673,105 |
| Closing balance | | 5,823,525 | | 6,439,125 |

* Vested options of 36,91,105 equity shares includes 36,73,105 share options vested in FY 19-20, 14,400 share options vested in FY 18-19 & 1,200 share options vested in FY 17-18 and 2,400 share options vested in FY 16-17.

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 March 31, 2021, the Company has instituted an Avenue E-Commerce Limited Employee Stock Option Scheme, 2020 ("the Scheme") as approved by the Board of Directors dated September 21, 2020 and the resolution of shareholders dated September 30, 2020 for issuance of stock option to eligible employee of the Company and of its holding company.

During the year ended March 31, 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 February 2, 2018 and the resolution of shareholders dated February 15, 2018 for issuance of stock option to eligible employee of the Company and of its holding company.

Subject to terms and condition of the scheme, options are classified into two categories.

| Particulars | Scheme 2020 | | Scheme 2018 | |
|----------------------|-------------------|-------------------|----------------------|----------------------|
| | Option A | Option B | Option A | Option B |
| No. of options | 1,407,000 | 1,201,000 | 3,423,800 | 1,759,800 |
| Method of accounting | Fair value | Fair value | Fair value | Fair value |
| Vesting plan | 9 years | 6 years | 8 years and 2 months | 5 years and 2 months |
| Grant date | October 01, 2020 | October 01, 2020 | March 15, 2018 | March 15, 2018 |
| Exercise/Expiry date | December 31, 2029 | December 31, 2026 | May 14, 2026 | May 14, 2023 |
| Grant/Exercise price | ₹14.06 | ₹ 14.06 | ₹ 11.30 | ₹ 11.30 |
| Method of settlement | Equity - settled | 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.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

Movement of options granted

| | Scheme 2020 | | | |
|---------------------------|--|----------------------|--|----------------------|
| | For the year ended 31 st March, 2021 | | For the year ended 31 st March, 2020 | |
| | Average exercise price per share option | Number of options | Average exercise price per share option | Number of options |
| Opening balance | 14.06 | 2,608,000 | | - |
| Granted during the year | 14.06 | - | | - |
| Exercised during the year | 14.06 | - | | - |
| Forfeited during the year | 14.06 | 120,000 | | - |
| Vested during the year | 14.06 | - | | - |
| Closing balance | | 2,488,000 | | - |

| | Scheme 2018 | | | |
|---------------------------|--|----------------------|--|----------------------|
| | For the year ended 31 st March, 2021 | | For the year ended 31 st March, 2020 | |
| | Average exercise price per share option | Number of options | Average exercise price per share option | Number of options |
| Opening balance | 11.30 | 4,310,600 | 11.30 | 4,609,400 |
| Granted during the year | 11.30 | - | 11.30 | - |
| Exercised during the year | 11.30 | - | 11.30 | - |
| Forfeited during the year | 11.30 | 118,000 | 11.30 | 298,800 |
| Vested during the year | | - | | - |
| Closing balance | | 4,192,600 | | 4,310,600 |

The model inputs for fair value of option granted as on the grant date :

| Inputs | Scheme 2020 | | Scheme 2018 | |
|-------------------------|---------------|---------------|---------------|---------------|
| | Option A | Option B | Option A | Option B |
| Exercise price | ₹ 14.06 | ₹ 14.06 | ₹ 11.30 | ₹ 11.30 |
| Dividend yield | 0% | 0% | 0% | 0% |
| Risk free interest rate | 6.34% | 5.86% | 7.90% | 7.60% |
| Expected volatility | 36.21% | 36.21% | 57.40% | 58.90% |
| Fair value per option | ₹ 7.50 | ₹ 7.50 | ₹ 11.30 | ₹ 11.30 |
| Model used | Black Scholes | Black Scholes | Black Scholes | Black Scholes |

Expense arising from equity settled share based payments transactions :

| | ₹ in Crores) | |
|--|------------------------------|------------------------------|
| | 31 st March, 2021 | 31 st March, 2020 |
| Avenue Supermarts Limited | 6.05 | 8.27 |
| Align Retail Trades Private Limited | 0.04 | (0.03) |
| Avenue E-Commerce Limited | 0.28 | 0.22 |
| Recognised in the statement of profit or loss | 6.38 | 8.46 |

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

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 services 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.

1 Change in the present value of Defined Benefit Obligation are as follows

| | (₹ in Crores) | As at | As at |
|--|------------------------------|------------------------------|-------|
| | 31 st March, 2021 | 31 st March, 2020 | |
| Present value of benefit obligation at the beginning of the year | 33.67 | 21.25 | |
| Interest cost | 2.17 | 1.54 | |
| Current service cost | 7.10 | 4.65 | |
| Past service cost | - | - | |
| Benefit paid from the fund | (0.84) | (0.41) | |
| Actuarial (gains)/losses on obligations - due to change in demographic assumptions | (0.13) | - | |
| Actuarial (gains)/losses on obligations - due to change in financial assumptions | 0.44 | 1.54 | |
| Actuarial (gains)/losses on obligations - due to experience | 2.67 | 5.10 | |
| Present value of benefit obligation at the end of the year | 45.07 | 33.67 | |

2 Change in fair value of plan assets

| | (₹ in Crores) | As at | As at |
|---|------------------------------|------------------------------|-------|
| | 31 st March, 2021 | 31 st March, 2020 | |
| Fair value of plan assets at the beginning of the year | 32.62 | 18.43 | |
| Interest income | 2.09 | 1.33 | |
| Contributions by the employer | 8.05 | 12.01 | |
| Benefits paid from the funds | (0.80) | (0.41) | |
| Return on plan assets, excluding interest income | 0.62 | 1.26 | |
| Fair value of plan assets at the end of the year | 42.58 | 32.62 | |

3 Change in fair value of assets and obligations

| | (₹ in Crores) | As at | As at |
|--|------------------------------|------------------------------|-------|
| | 31 st March, 2021 | 31 st March, 2020 | |
| Present value of benefit obligation at the end of the year | (45.07) | (33.68) | |
| Fair value of plan assets at the end of the year | 42.58 | 32.62 | |
| Funded status (surplus/(deficit)) | (2.49) | (1.06) | |
| Current liability | (2.49) | (1.06) | |
| Assets recognized in the balance sheet | - | 0.42 | |
| Liability recognized in the balance sheet | 2.49 | 1.48 | |

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

4 Net benefit expenses recognised during the year

| | (₹ in Crores) | |
|--|--|--|
| | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
| In the statement of profit and loss | | |
| Current service cost | 7.10 | 4.65 |
| Net interest cost | 0.08 | 0.20 |
| Past service cost | - | - |
| Net cost | 7.18 | 4.85 |
| In other comprehensive income | | |
| Actuarial (gains)/losses on obligation for the year | 3.00 | 6.63 |
| Return on plan assets, excluding interest income | (0.64) | (1.25) |
| Net (income)/expense for the year recognized in oci | 2.36 | 5.38 |

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 31 st March, 2021 | As at 31 st March, 2020 |
|----------------------------------|--|--|
| Expected return on plan assets | 6.26% | 6.43% |
| Rate of discounting | 6.26% | 6.43% - 6.83% |
| Rate of salary increase | 8.00% | 8.00% |
| Rate of employee turnover | 15.00% | 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 31 st March, 2021 | As at 31 st March, 2020 |
| projected benefits payable in future years from the date of reporting | | |
| 1 st following year | 4.84 | 3.33 |
| 2 nd following year | 5.16 | 3.61 |
| 3 rd following year | 5.17 | 4.00 |
| 4 th following year | 5.20 | 3.81 |
| 5 th following year | 4.87 | 3.73 |
| Sum of years 6 to 10 | 18.99 | 14.36 |
| Sum of years 11 and above | 26.60 | 22.30 |

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

8 Sensitivity Analysis

| | (₹ in Crores) | As at | As at |
|---|------------------------------|------------------------------|------------------------------|
| | 31 st March, 2021 | 31 st March, 2020 | 31 st March, 2020 |
| Projected benefit obligation on current assumptions | 45.09 | 33.67 | |
| Delta effect of +1% change in rate of discounting | (2.48) | (1.92) | |
| Delta effect of -1% change in rate of discounting | 2.79 | 2.17 | |
| Delta effect of +1% change in rate of salary increase | 2.63 | 2.04 | |
| Delta effect of -1% change in rate of salary increase | (2.39) | (1.85) | |
| Delta effect of +1% change in rate of employee turnover | (0.50) | (0.40) | |
| Delta effect of -1% change in rate of employee turnover | 0.54 | 0.43 | |

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

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 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.

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.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

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 nor the future cash flows will fluctuate because of a change in market interest rate. The group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to interest rate risk

| Particulars | (₹ in Crores) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2021 | As at 31 st March, 2020 |
| Borrowings bearing variable rate of interest | - | 3.73 |

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 31 st March, 2021 | As at 31 st March, 2020 |
| 50 bp increase- decrease in profits | - | (0.02) |
| 50 bp decrease- Increase in profits | - | 0.02 |

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

| | As at 31 st March, 2021 | | | (₹ in Crores) |
|--|------------------------------------|---------------|----------------|---------------|
| | 0-1 years | 1-5 years | beyond 5 years | |
| Lease Liability | 80.70 | 286.09 | 25.92 | 392.71 |
| Expected interest payable on Lease Liability | 37.05 | 59.25 | 23.38 | 119.68 |
| Total | 117.75 | 345.34 | 49.30 | 512.39 |

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

| | As at 31 st March, 2020 | | | (₹ in Crores) |
|---|------------------------------------|---------------|----------------|---------------|
| | 0-1 years | 1-5 years | beyond 5 years | |
| 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 on borrowings | 3.20 | - | - | 3.20 |
| Expected interest payable on Lease Liability | 30.65 | 56.00 | 26.13 | 112.78 |
| Total | 145.93 | 244.95 | 58.29 | 449.17 |

Maturity patterns of other financial liabilities

| | As at 31 st March, 2021 | | | | | (₹ in Crores) |
|--|------------------------------------|------------|------------|--------------------------|---------------------|---------------|
| | Overdue/ payable on demand | 0-3 months | 3-6 months | 6 months to 12 months | beyond 12 months | |
| Trade payable | 578.13 | - | - | - | - | 578.13 |
| Payable related to capital goods | 151.96 | - | - | - | - | 151.96 |
| Other financial liabilities (current and non current) | 230.48 | - | - | - | 0.44 | 230.92 |
| Total | 960.57 | - | - | - | 0.44 | 961.01 |

| | As at 31 st March, 2020 | | | | | (₹ in Crores) |
|--|------------------------------------|------------|------------|--------------------------|---------------------|---------------|
| | Overdue/ Payable on demand | 0-3 months | 3-6 months | 6 months to 12 months | Beyond 12 months | |
| 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 |

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

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

| Name of the entity | As at 31 st March, 2021 | | For the year ended 31 st March, 2021 | |
|---|---|---------------|--|---------------|
| | Net assets i.e. total assets minus total liabilities | | 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 | 98.36% | 12,305.28 | 106.07% | 1,163.87 |
| Subsidiaries | | | | |
| 1 Align Retail Trades Private Limited | 0.81% | 100.42 | 1.45% | 15.88 |
| 2 Avenue Food Plaza Private Limited | 0.19% | 23.32 | (0.17%) | (1.90) |
| 3 Nahar Seth & Jogani Developers Private Limited | 0.03% | 3.49 | 0.05% | 0.54 |
| 4 Avenue E-Commerce Limited | 0.61% | 77.51 | (7.40%) | (81.16) |
| 5 Reflect Wholesale and Retail Private Limited | 0.00% | 0.09 | (0.00%) | (0.01) |
| Subtotal | | 12,510.11 | | 1,097.22 |
| Inter company elimination and consolidation adjustments | | (326.00) | | 0.31 |
| Grand total | | 12,184.11 | | 1,097.53 |
| Minority interest | | 0.40 | | (0.06) |

| Name of the entity | As at 31 st March, 2020 | | For the year ended 31 st March, 2020 | |
|---|---|---------------|--|---------------|
| | Net assets i.e. total assets minus total liabilities | | 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 | | 1,297.74 |
| Inter company elimination and consolidation adjustments | | (211.30) | | (0.82) |
| Grand total | | 11,080.20 | | 1,296.90 |
| Minority interest | | 0.46 | | (0.10) |

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

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 1 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 31 st March, 2021 | For the year ended 31 st March, 2020 |
|---|------------------|--|--|
| Type of goods or service | | | |
| Sale of goods | 26,306.45 | 27,202.44 | |
| Sale of goods on approval basis net of COGS | 5.16 | 8.12 | |
| Other operating income | 71.24 | 37.55 | |
| Tax | (2,239.79) | (2,377.91) | |
| Total revenue from contract with customers | 24,143.06 | 24,870.20 | |
| India | 24,143.06 | 24,870.20 | |
| Outside India | - | - | |
| Total revenue from contract with customers | 24,143.06 | 24,870.20 | |
| Timing of revenue recognition | | | |
| Goods transferred at a point in time | 24,071.82 | 24,832.65 | |
| Services transferred over time (Other operating income) | 71.24 | 37.55 | |
| Total revenue from contract with customers | 24,143.06 | 24,870.20 | |

2. Contract balances:

| | (₹ in Crores) | As at 31 st March, 2021 | As at 31 st March, 2020 |
|----------------------|---------------|---------------------------------------|---------------------------------------|
| Trade receivables | 43.58 | 19.55 | |
| Contract liabilities | 1.53 | 2.24 | |

51 Events after the reporting period

The group has evaluated subsequent events from the balance sheet date through 8th May, 2021 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.

Notes

to the Consolidated Financial Statements for the year ended 31st March, 2021

- 52** The Code on Social Security 2020 has been notified in the Official Gazette on 29th Sep 2020, which could impact the contributions by the Group towards certain employment benefits. The effective date from which the changes are applicable is yet to be notified, and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in period of notification of the relevant provisions.
- 53** We have considered the impact of COVID19 as evident so far in our above published financial results. The Group will also continue to closely monitor any material changes to future economic conditions which necessitate any further modifications.
- 54** 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 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, 8th May, 2021

Mumbai, 8th May, 2021

Notice of the 21st Annual General Meeting

Notice is hereby given that the Twenty First Annual General Meeting of the Members of Avenue Supermarts Limited will be held on Tuesday, 17th August, 2021 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, 2021 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, 2021 together with the Reports of Auditors thereon;

2. Retirement by Rotation:

To appoint a Director in place of Mr. Elvin Machado (DIN: 07206710), who retires by rotation and being eligible, offers himself for re-appointment;

SPECIAL BUSINESS:

3. Commission to Independent Directors 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 provisions of Section 149(9), 197 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of members be and is hereby accorded to make payment to the Independent Directors of the Company on annual basis, by way of commission, the aggregate of which shall not exceed one percent of the Net Profit 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 and in all such respects as may be

determined by the Board of Directors ("Board of Directors" shall include Nomination and Remuneration Committee, a Committee duly constituted by the Board of Directors of the Company) from time to time, in addition to the sitting fees for attending the meetings of the Board of Directors or the Committees thereof for a period of five years commencing from 1st April, 2022.

RESOLVED FURTHER THAT the Nomination & Remuneration Committee shall have further liberty to vary the amount payable to the Independent Directors by way of commission and recommend the same to the Board for their approval, provided that such amount shall be within the ceiling limit of one percent of the Net Profit of the Company per annum computed in the manner prescribed under Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors or Nomination and Remuneration Committee of the Company be and is hereby authorised to take all such steps and do all such things including settling or resolving any doubts as may be required from time to time in connection with the aforesaid resolution and matters related thereto."

By order of the Board of Directors of
Avenue Supermarts Limited

Ashu Gupta

Company Secretary
 Membership No. FCS 10736

Place: Mumbai
 Date: 8th May, 2021

Registered Office:

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

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') issued General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated 8th April 2020, 13th April 2020, 5th May 2020 and 13th January 2021, respectively and the Securities and Exchange Board of India ('SEBI') also issued Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 (hereinafter collectively referred to as "the Circulars"). In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 21st AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 21st AGM shall be the Registered Office of the Company.
2. Since this AGM is being held pursuant to the 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, Attendance Slip and Route Map are not annexed to this Notice.
3. Participation of Members through VC / OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
4. 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.
5. 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 the 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. In accordance with the Act, the appointment of Statutory Auditors is not required to be ratified at every AGM.
6. 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").
7. 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.
8. All the relevant documents referred to in this AGM Notice and Explanatory Statement etc., Register of Directors'
9. The Register of Members and Transfer Books of the Company will be closed from Wednesday, 11th August, 2021 to Tuesday, 17th August, 2021 (both days inclusive).
10. Members holding shares of the Company as on Tuesday, 10th August, 2021, 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.
11. 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.
12. 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.
13. 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.
14. 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.

15. In compliance with the aforesaid Circulars Notice of the AGM along with the Annual Report 2020-21 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 2020-21 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>

16. 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

17. Instructions for remote e-Voting and e-voting during the AGM :

a. 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.

- b. The remote e-voting period commences on Saturday, 14th August, 2021 (9:00 a.m. IST) and ends on Monday, 16th August, 2021 (5:00 p.m. IST). During this period members of the Company, holding shares as on the cut-off date of Tuesday, 10th August, 2021, 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.
- c. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
- d. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Access to NSDL e-Voting system

- A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="display: flex; justify-content: space-around; align-items: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around;">   </div> <div style="display: flex; justify-content: space-around;">   </div> </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cDSLindia.com/myeasi/home/login or www.cDSLindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cDSLindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cDSLindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

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 ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.

Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12***** |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

4. 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 to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

5. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- 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.
- Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- 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 etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

6. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

7. Now, you will have to click on “Login” button.

8. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
- Now you are ready for e-Voting as the Voting page opens.
- 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.

5. Upon confirmation, the message “Vote cast successfully” will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. 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:

- In case shares are held in physical mode please provide Folio No., Name of member, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by e-mail to investorrelations@dmartindia.com or to Link Intime (India) Private Limited at rnt.helpdesk@linkintime.co.in
- 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), AADHAAR (self-attested scanned copy of Aadhaar Card) to investorrelations@dmartindia.com or to Link Intime (India) Private Limited at rnt.helpdesk@linkintime.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- 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.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The instructions for members for e-voting on the day of the AGM are as under:

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 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. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free No. 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Asst. Vice President, NSDL at evoting@nsdl.co.in.

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.

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, 10th August, 2021 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 holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of Notice and holding shares as of the cut-off date i.e. Tuesday, 10th August, 2021, 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 the vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

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 not later than 48 hours of the conclusion of the AGM, make 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.

18. Instructions for Members attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
2. 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.

3. 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.
4. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800 1020 990 / 1800 224 430 or contact Mr. Amit Vishal, Asst. Vice President – NSDL at amitv@nsdl.co.in or Ms. Soni Singh, Assistant Manager – NSDL at sonis@nsdl.co.in.
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 12th August, 2021 (9:00 a.m. IST) to 14th August, 2021 (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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3:

The members had at the AGM held on 6th September, 2017 approved payment of remuneration by way of commission to Independent Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of section 198 of the Companies Act, 2013, for a period of five years commencing 1st April, 2017. Since the validity of the aforesaid resolution passed by the members is upto the financial year 2021-22, approval is now sought from members for renewal of the resolution for a further period of 5 years commencing from 1st April, 2022.

Considering the Company's operations, its expanding activities and valuable contribution made by Independent Directors towards overall engagement with the Company on various policies, strategic and governance related issues, it is proposed to pay Commission to them. In view of the above, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 8th May, 2021 recommended and approved the payment of commission not exceeding 1% of the net profits of the Company for a further period of 5 years commencing from 1st April, 2022.

According to provisions of the Section 197 of the Companies Act, 2013 and Regulation 17(6)(a) of the Listing Regulations, all fees/ compensation payable to Independent Directors shall require prior approval of the members of the Company. Hence, it is proposed to seek approval of the members of the Company under Section 197 of the Companies Act, 2013 and Regulation 17 of Listing Regulations for payment of commission at the rate not exceeding

one percent of the net profit of the Company computed in accordance with Section 198 of Companies Act, 2013 for a period of five years commencing from 1st April, 2022. This commission will be distributed as per the decision taken by the Board (including Nomination and Remuneration Committee) from time to time. The above payment of Commission shall be over and above the sitting fees paid to the Directors for attending the meeting of the Board/ Committee thereof.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives, except Independent Directors, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

By order of the Board of Directors of
Avenue Supermarts Limited

Ashu Gupta

Company Secretary
 Membership No. FCS 10736

Registered Office:

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

ANNEXURE-A
DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

| Mr. Elvin Machado | |
|--|--|
| Age | 54 years |
| Date of appointment on the Board | 10 th 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 14 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 | Mr. Elvin Machado was re-appointed as a Whole-time Director, for a period of 3 (three) years with effect from 10 th June, 2021 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. Machado 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 (2020-21) | 5 |
| Directorships held in other companies | Nil |
| Memberships / Chairmanships of committees of other companies | Nil |
| No. of shares held in the Company | 314,000 equity shares of the Company |

A shopping cart is positioned in the foreground, facing away from the camera and into a long, brightly lit grocery store aisle. The aisle is flanked by shelves stacked high with various products. The cart's green handlebar features the "D-Mart" logo in white, with a stylized pyramid icon preceding the word "Mart".

DMart



REGISTERED OFFICE

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

Tel: +91-22-33400500

Fax: +91-22-33400599

Website: www.dmartindia.com