

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

Date: 12th September, 2017

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 for the Financial Year 2016-17

Dear Sir/Madam,

The Annual General Meeting of the Company was held on 6th September, 2017. Pursuant to Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for F.Y 2016-17.

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

2016-17
ANNUAL REPORT
AVENUE SUPERMARTS LIMITED

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KEY HIGHLIGHTS FY 2016-17

₹11,881 Cr.

Revenue

₹995 Cr.

Operating Profit

₹483 Cr.

Profit After Tax

131 stores

in 10 Indian States
and 1 Union Territory

21 stores

New Stores Added

4.06 mn sqft

Retail Business Area

Good Products Great Value

At DMart, we strive to provide customers a unique shopping experience by offering everyday use products at affordable prices. It is our belief that a majority of our consumers prefer getting value-for-money, quality products in a simple and convenient ambience.

We believe our endeavour to facilitate a one-stop destination 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 consistent growth and profitability.

We ensure that all our work processes are aligned towards delivering good products at great value.



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About DMart

OUR BEGINNING



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.

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, 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 great blend of entrepreneurial spirit and high quality execution. We humbly attribute our success to the values and the way of business thinking, that our founder has instilled in us.

Core Values

Action

Focus:

To be focused about what I do.

Motivated:

To be clear of achieving my goal.

Enthusiastic:

To love what I do.

Care

Respect:

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

Listen:

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

Truth

Integrity:

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

OUR VISION & MISSION

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

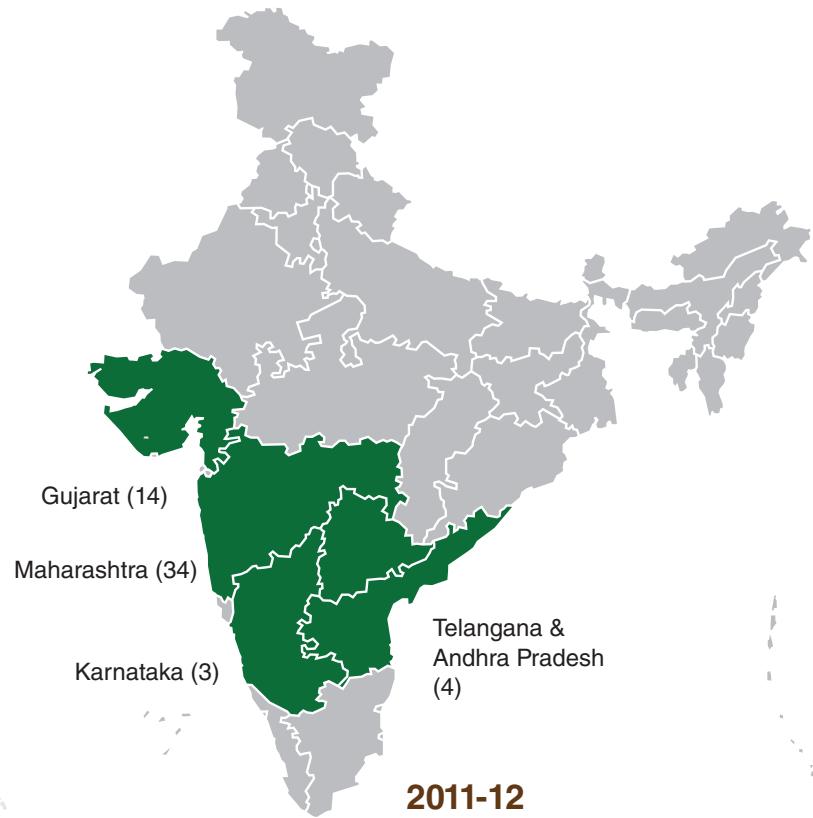
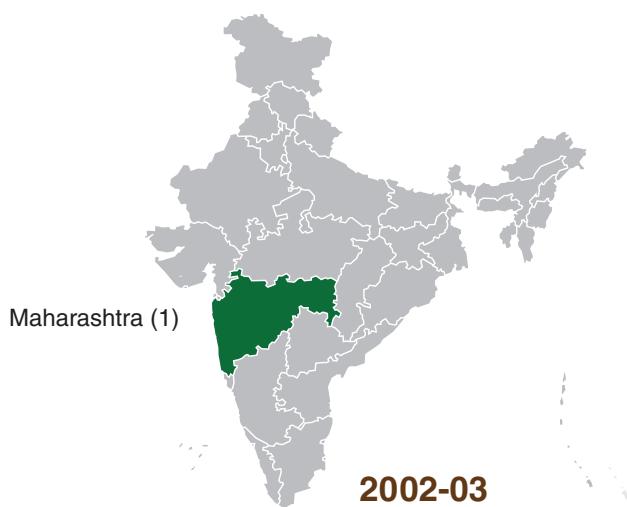


Presence

DMart has a consistently growing presence across India.

OUR REACH

DMart has a consistently growing presence across India. Today, we have 131 stores in ten states and one union territory. Our larger focus of expansion would be in states where we already have a presence. In FY 2017, we added 21 new stores.



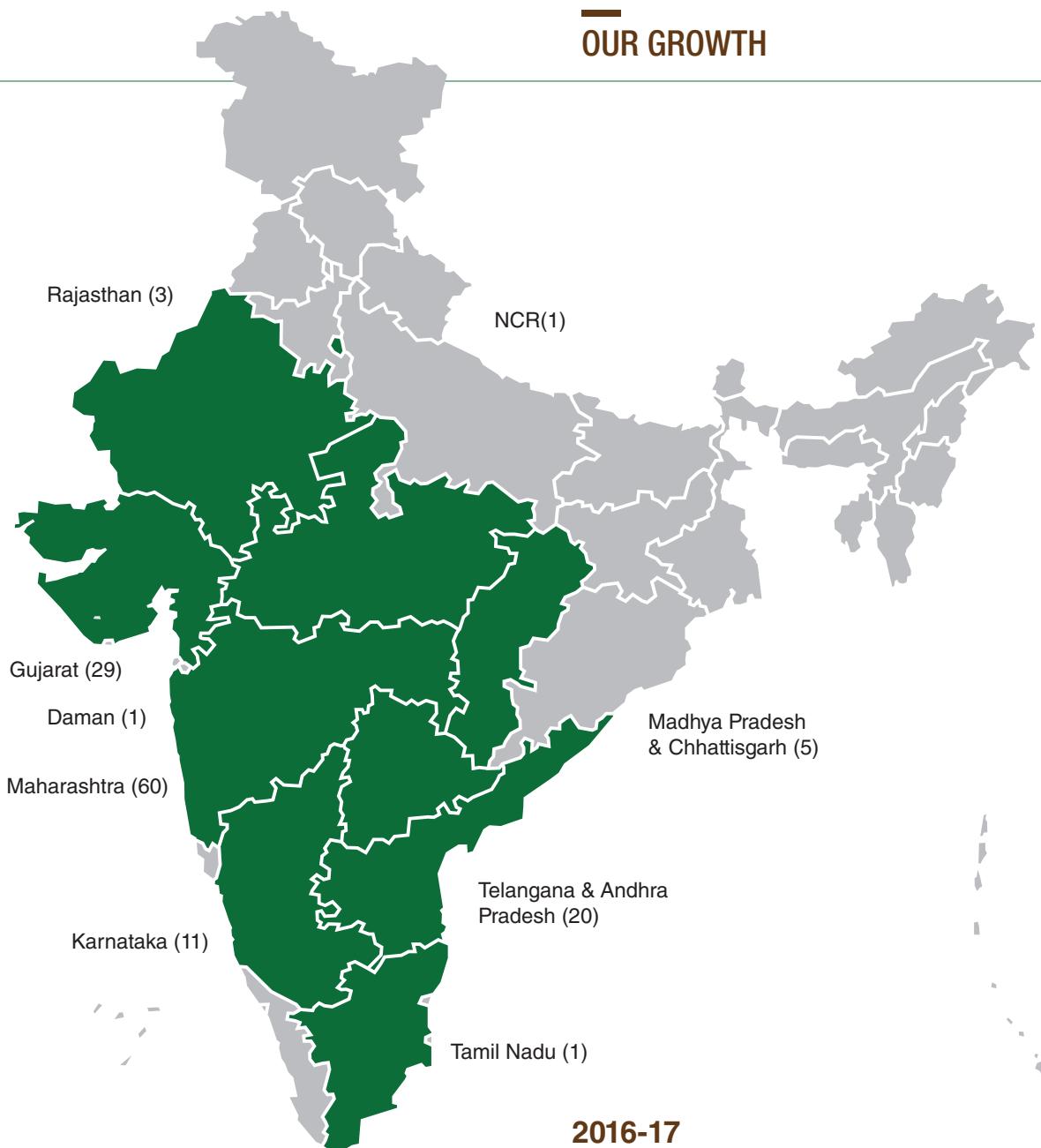
CUMULATIVE STORES

Note: Maps not to scale

1 Store

55 Stores

OUR GROWTH



131 Stores

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Key Product Categories



THE KEY PRODUCT CATEGORIES CAN BE CLASSIFIED INTO:

Foods

dairy, staples, groceries, snacks, frozen products, processed foods, beverages & confectionary and fruits & vegetables

53.65%
Revenue FY 2016-17



Non-Foods (FMCG)

home care products, personal care products, toiletries and other over the counter products

19.98%
Revenue FY 2016-17



General Merchandise & Apparel

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

26.37%
Revenue FY 2016-17



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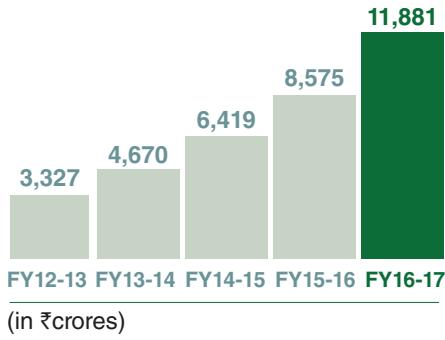
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Key Performance Indicators

REVENUE FROM OPERATIONS

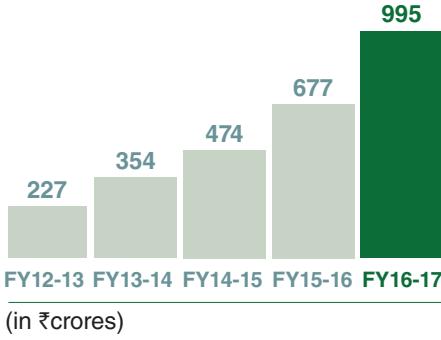
39% Y-o-Y



(in ₹crores)

**EARNINGS BEFORE INTEREST, TAX,
DEPRECIATION AND AMORTISATION
(EBITDA)**

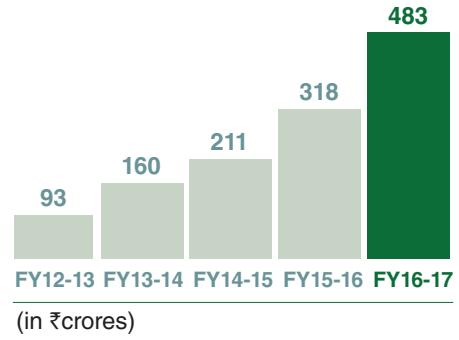
47% Y-o-Y



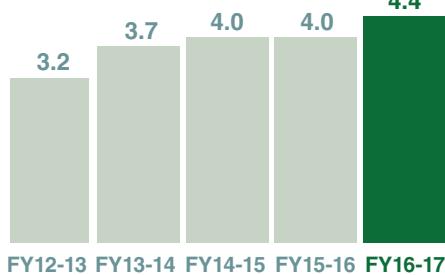
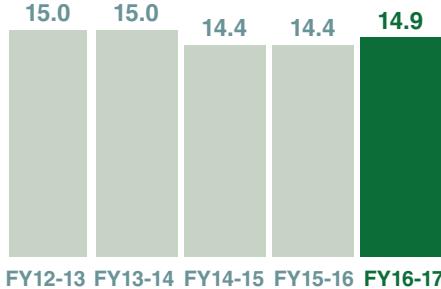
(in ₹crores)

PROFIT AFTER TAX (PAT)

52% Y-o-Y



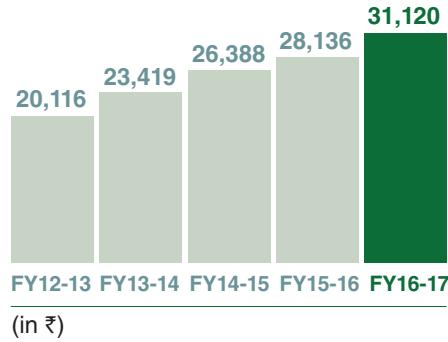
(in ₹crores)

FIXED ASSET TURNOVER RATIO**INVENTORY TURNOVER RATIO****INVENTORY TURNOVER RATIO****LIKE FOR LIKE GROWTH***

(%) * LFL growth means the growth in revenue from sales of same stores which have been operational for at least 24 months at the end of a Fiscal

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

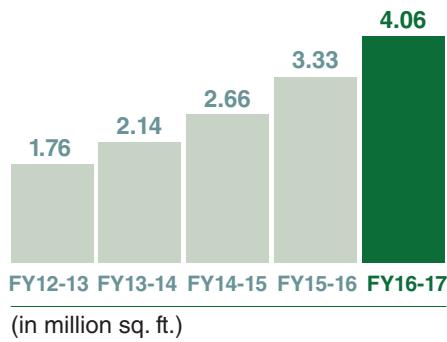
11% Y-o-Y



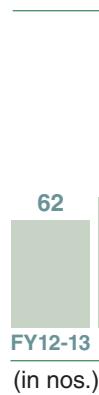
(in ₹)

RETAIL BUSINESS AREA (AT THE END OF FISCAL)

22% Y-o-Y



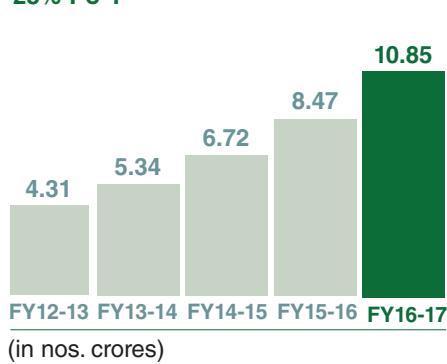
(in million sq. ft.)

CUMULATIVE NUMBER OF STORES

(in nos.)

TOTAL BILL CUTS

28% Y-o-Y



(in nos. crores)

We have witnessed steady growth across key financial and operating parameters by implementing a distinct store expansion strategy and operating cost efficiencies.

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Message from the Chairman

Dear Shareholders,

I am pleased to present the Annual Report of your Company for fiscal 2017. The year assumes particular importance in the Company's history as it went public through an Initial Public Offer (IPO), listing on the Stock exchanges successfully. It gives me great pleasure to welcome all our new shareholders to the DMart family. The response to our maiden public issue was heart-warming to say the least. My sincere gratitude for the faith and trust reposed by investors in our Company.

We are at an exciting phase in India's growth journey and organised retail continues to be an attractive sector. At over 7%, India is one of the fastest growing major economies in the world. This coupled with major structural shifts that are underway, point to a long-term opportunity that is of a massive scale. Most macro-economic indicators that measure the health of an economy, continue to be positive in India's context. Major policy measures such as demonetisation and the implementation of GST are likely to formalise the

economy even further. Seen together, this points towards brighter days ahead for the retail sector.

Value retail is a tough business. There is intense competition, and a constantly evolving dynamic in the form of market forces and consumer preferences. For nearly 15 years, we have focused on the core needs of our customers, aligned our systems & processes in line with their needs, and delivered steady growth in our revenues and profitability.

Our business model has stood the test of time, and we are focused on doing a few things but doing it well and ensure we continue to be amongst the preferred retailers in India.



The retail sector has for long hoped for a level playing field. We believe that GST is a good step towards that, and yet, its effect on our business is likely to be neutral. This is because the tax rates have been cut for mass consumption products and hiked for higher-end products.

In India, private consumption constitutes 60% of India's GDP, of which retail is around 50%. Organised Retail was 9% of total retail in FY 2016 and is expected to touch 12% by FY 2020. Our business model has stood the test of time, and we are focused on doing a few things but doing it well and ensure we continue to be amongst the preferred retailers in India. This is our guiding mantra for the business.

We are keen to protect value and hence take a cautious, measured approach towards expansions. Guided by the aspirations of our internal and external stakeholders, we focus on ensuring smooth operations and staying true to our core, which allows us to widen and deepen our customer base. At the same time, we maintain an excellent rapport with our suppliers, ensuring that we source the best quality products at the most competitive prices.

In our business, we consider the community and environment as key stakeholders. Towards this end, we strive to be cleaner and greener. Similarly, our well-focussed CSR initiatives in the education sector ensure impactful results for beneficiaries of the economically marginal communities.

As we continue in our endeavour to aspire to be a respected and responsible enterprise, we commit to being focussed on our core positioning of value-retail and remain accountable to all our stakeholders and society at large. We will constantly pursue to delight and surprise our customers with good products at great value every single day.

I hereby thank all the other Board members, the Senior Management team and our Founder for their help in discharging my duties.

I solicit your continued cooperation in materialising this vision.

Best Regards,
Ramesh Damani
Chairman



We will constantly pursue to delight and surprise our customers with good products and great value every single day.

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Message from the Managing Director & CEO

Dear Shareholders,

Our first DMart store opened in 2002, our 10th store in 2008, our 100th store in 2016 and we are now at 131 stores. As I reflect on the past at each of these milestones, one singular thought that comes to my mind repeatedly is that tomorrow has larger opportunities and newer challenges than today's achievements. A lot has been achieved and yet, there is so much more to be done. There are very few sectors that gives one such a feeling. Retail sector in India is one such opportunity. The magnanimity and scale of this opportunity continues to keep us awake at night. My team and I are fully aware of this and are striving to build the DMart for tomorrow.

DMart is an outcome of a visionary founder and a simple & passionate leadership team who gets out there to get things done, with enthusiasm and care towards all stakeholders.

I am delighted to share our annual report for 2016-17 – the first one post our IPO. It was another satisfactory and successful year for us at DMart, which saw us grow our presence, revenues, operating profit and net profit. It is yet another validation of our approach towards being a value retailer. These indicators act as motivating factors for our employees, to strive harder and

maintain our identity as a customer-first business. Year-after-year, we have stayed on the path of providing value through good products at great value, in a functional and convenient environment.

Our challenge and opportunity is to retain the same level of commitment and relevance among our employees, suppliers and partners to ensure we remain rooted to our core philosophy of value retailing. We also aspire to play an active and responsible role towards our environment and society. Our on-going expansion and growth initiatives will be underpinned by our values & philosophy of prudence and entrepreneurship, as we carve out a larger footprint for our business.

Our employees are the torchbearers of our success and crucial stakeholders in our growth. The organisation strives to ensure a motivated team through initiatives such as employee engagements, employee satisfaction surveys and deploying appropriate competency framework models. These measures help us keep productivity and employee morale high. These initiatives also help us map capabilities in employees to the right roles and also build a talent pool for the future. We strongly believe that spending disproportionate time and efforts to

up-skill and enhance competencies of existing employees brings significant tangible and intangible long-term benefits to the organisation.

At DMart, we recognise the local community and society at large as an integral part of our corporate citizenship. Driven by our value systems, we strive to inculcate a socially responsible corporate culture to address social and environmental challenges in the areas we operate. As a proactive measure, we are attempting to have most of our new stores endorsed under the Green Building Certification by IGBC (Indian Green Building Council). We constantly endeavour to use energy efficient construction materials and techniques that help us reduce our carbon footprint in our day-to-day operations.

Our social transformation initiatives focus on better quality of education in public schools of Mumbai. We have helped create modern infrastructure and better learning systems, positively impacting the lives of over 50,000 children.

As we garner more footfalls to our stores, we look to further build scale and thus benefit from the resulting economics. Through our 'Every Day Low Cost / Every Day Low Price' strategy,

As we garner more footfalls in our stores, we look to build further scale and thus benefit from the resulting economics.

DMart is an outcome of a visionary founder and a simple & passionate leadership team who gets out there to get things done, with enthusiasm and care towards all stakeholders.

we envisage a win-win situation for the customers and the Company. In this journey of creating more value for every stakeholder, I humbly solicit your extended cooperation.

Yours Sincerely,
Ignatius Navil Noronha
Managing Director & CEO



The Story of Value

Good Products at Great Value

Our mantra to achieve customer affinity in today's competitive landscape.

At DMart, this is our guiding philosophy since inception and everything we do is aimed at achieving this goal.





We always focus on achieving higher volumes in our business and at the same time, keep our procurement and operating costs low. This has helped in offering our customers lower prices consistently. Our business model is thus based on the concept of offering higher value-for money, through our 'Every Day Low Cost / Every Day Low Price' credo.

Over the years, this credo has created an obvious win-win for our customers and other stakeholders. We try harder each day, offering customers more than just delight. We positively surprise them with a pattern of constant and new discounts on a regular basis. At the same time, we are focused on expansion to leverage a better buying power and economies of scale, that allow us to retain margins while offering fantastic prices.

In our journey of good products at great value, we are encouraged by our customers. Through our interactions and engagements, we learn more about them, and their needs. This enables us to serve them better, and in turn, widen and deepen our loyal customer base.

At DMart, the concept of value is all-encompassing. It pervades our organisation and is a central theme of all that we stand for.

Our Credo: Every Day Low Cost / Every Day Low Price

Value For Tomorrow

At DMart, we are conscious of our environmental responsibilities.

It is our constant endeavour to reduce our environmental footprint and to this end we implement several initiatives in our operations for a cleaner and greener environment.



We are constantly taking proactive steps to limit the impact of our operations and use natural resources judiciously.

Our green initiatives and energy-efficient processes are as important as our day-to-day business. We attempt to take the following steps in our business for a better and greener environment.



Obtain Green Building certification by IGBC (Indian Green Building Council) under NB Rating.



Treatment of waste through in-house sewage treatment plants.



Implement rainwater harvesting process to restore depleting ground water.



Installation of Rooftop Solar Plants, to reduce energy consumption by 10-30%.



Utilise plumbing fixtures that consume 30-40% lesser water than the standard ones.



Undertake Indoor Air Quality (IAQ) testing and implementation of recommendations.



Usage of AAC blocks which has recycled content in it.



Insulation of building roofs for energy efficiency, use of LED lighting and efficient air conditioning.

Value For Everyone

**At DMart,
we care
for our
community
and society.**

Our corporate social initiatives focus on better quality of education in public schools. We are holistically intervening in these schools, involving all stakeholders in helping students learn better.

We have undertaken several initiatives to improve the infrastructure and quality of learning in public schools of Mumbai.

Many state-run schools receive strong initial support from the state. However, often the requisite support is not sustained beyond certain years. Our philosophy is to intervene and help public schools maintain and update their infrastructure and quality of learning.

Our 'School Excellence Programme' is aimed to achieve this goal. Our support



Some of the successes achieved include:

50,000+ students positively impacted



is holistic and meaningful, with a view to building a skilled and better-informed future generation that can lead the India of tomorrow.

Some of the major highlights of our efforts in this are enumerated below:

SCHOOL INFRASTRUCTURE

Improving Computer Literacy: DMart helps install computer labs for schools. We also employ teachers for computer aided learning, to train students on a specified curriculum with a view to upgrade their digital literacy. Learning outcomes are monitored and analysed through intensive data capture in order to ensure positive results. The computer labs are also used to train teachers to improve their skills.

Better hygiene and sanitation: DMart is helping build toilet facilities for children in public schools. We support this initiative to ensure a higher level of hygiene and sanitation. We ensure there is safe, drinking water in the schools. In addition, we have also initiated a programme for all our schools called 'Swachh School Abhiyan'. This programme encourages and motivates all our public schools to maintain a very high standard of cleanliness and hygiene. On a quarterly basis, we recognise some of the best schools through a simple grading system based on the unscheduled visits conducted by our supervisors. We make small contributions to these schools and in turn encourage all the other schools to vie for this recognition.

IMPROVED LEARNING

Building As a Learning Aid (BALA) - We design the aesthetics of the school premises in an interactive way to facilitate an 'anywhere, everywhere' learning environment for students.

Encouraging reading as a habit: To inculcate and grow a reading habit, we are building libraries that are adequately stocked and staffed. There is level-wise reading material available for these to be beneficial to school students of all ages.

Supporting E-learning: We help with classroom infrastructure and constantly review the learning aids used to identify the most effective tools for e-learning.

Science labs: We have built well-equipped science labs in schools to give the students exposure to learning practical science.

CURRICULUM-LEVEL INTERVENTIONS

We are piloting an activity-based learning programme to build critical thinking skills. Based on the success of the pilot, we will scale the model up.

Remedial classes for students who require but can't afford supplementary coaching.

Holistic intervention involving all stakeholders in helping students learn better. To this end, we have counselling sessions for parents and also hold training sessions for teachers.

We also monitor on a regular basis the interventions that are deployed, while encouraging students to keep performing better and motivate them through awards and recognition.

We partner NGOs, who are experts in their respective fields. In addition to this, we give grants to foundations that serve in the social space. We also support vocational training centres and classes for Adivasi children.

IMPACT

DMart constantly undertakes Impact Assessment with respect to our initiatives to understand their effectiveness and to sustain progress, and take corrective measures where necessary.

We believe that we have positively impacted more than 50,000+ students through these initiatives.

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Board of Directors





From left

Mr. Ignatius Navil Noronha,
Managing Director & CEO

Mrs. Manjri Chandak,
Non-Executive Director

Mr. Elvin Machado,
Whole-time Director,
Business Development

Mr. Ramesh Damani,
Chairman & Independent Director

Mr. Ramakant Baheti,
Whole-time Director & CFO

Mr. Chandrashekhar Bhave,
Independent Director

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Senior Leadership Team



Mr. Ignatius Navil Noronha,
Managing Director & CEO



Mr. Ramakant Baheti,
Whole-time Director & CFO



Mr. Elvin Machado,
Director,
Business Development



Mr. Udaya Bhaskar Yarlagadda,
Chief Operating Officer,
Retail



Mr. Narayanan Bhaskaran,
Chief Operating Officer,
Supply Chain Management



Mr. Samardeep Subhandh,
Chief Marketing Officer



Mr. Amitabha Sen,
Sr. Vice President,
Human Resources



Mr. Dheeraj Kampani,
Vice President,
Buying and Merchandising



Mr. Hitesh Shah,
Associate Vice President,
Operations

Corporate Information

BOARD OF DIRECTORS

Mr. Ramesh Damani
Independent Director (Chairman)

Mr. Chandrashekhar Bhave
Independent Director
(w.e.f. 17.05.2016)

Mrs. Manjri Chandak
Non-Executive Director

Mr. Ignatius Navil Noronha
Managing Director & CEO

Mr. Ramakant Baheti
Whole-time Director & CFO

Mr. Elvin Machado
Whole-time Director

**COMPANY SECRETARY &
COMPLIANCE OFFICER**
Ms. Ashu Gupta

COMMITTEES OF THE BOARD

Audit Committee

Mr. Chandrashekhar Bhave - Chairman
Mr. Ramesh Damani - Member
Mr. Ramakant Baheti - Member

Nomination & Remuneration Committee

Mr. Chandrashekhar Bhave - Chairman
Mr. Ramesh Damani - Member
Mrs. Manjri Chandak - Member

Stakeholder Relationship Committee

Mrs. Manjri Chandak - Chairperson
Mr. 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

BANKERS

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

DEBENTURE TRUSTEES

IDBI Trusteeship Services Limited
Vistra ITCL (India) Limited

AUDITORS

Dalal & Shah LLP
Chartered Accountants

REGISTERED OFFICE

Anjaneya Co-op. Housing Society Ltd.
Orchard Avenue, Opp. Hiranandani Foundation School, Powai,
Mumbai - 400 076 (MH) India
Tel: +91-22-40496500
Fax: +91-22-40696503
Website: www.dmartindia.com

CORPORATE OFFICE

B-72/72A, Wagle Industrial Estate,
Road No. 33, Kamgar Hospital Road,
Thane - 400 604
Tel: +91-22-33400500

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C 101, 247 Park, L. B. S. Marg,
Vikhroli (West),
Mumbai - 400 083,
Maharashtra, India
Tel: +91-22-4918 6270
Fax: +91-22-4918 6060

Management Discussion and Analysis

Your Directors are pleased to present the Management Discussion and Analysis for the year ended 31st March, 2017.

1. ECONOMIC OVERVIEW

During FY 2016-17, India saw some key economic policy developments – Demonetisation of Specified Bank Notes (₹ 500 and ₹ 1000) prevailing as on 8th November, 2016 and passage of the Good and Services Tax (GST) and the implementation of the same later on.

India's GDP grew by 7.2% in the first half of FY 2016-17 on the back of export recovery and implementation of the 7th Pay Commission recommendations which buoyed consumption in the economy. Inflation stood at 3.89% as of March 2017 in line with RBI's target of 4%.

2. INDUSTRY OVERVIEW

In 2016, India's GDP is estimated at approximately USD 2,115 billion, of which private consumption constituted 60%. Retail forms around 50% of private consumption. India's GDP growth will therefore translate to an increase in the merchandise retail market, from the current USD 616 billion (approximately) to USD 960 billion by 2020. Share of urban retail is expected to grow from 49% in FY 2015-16 to 52% in FY 2019-20 due to increasing urbanisation, a higher increase in urban household income, and increasing penetration of organised retail in urban centres.

Organised Brick & Mortar retail (which is largely concentrated in urban India) was 9% of total retail (USD 55 billion) in FY 2015-16 and this is expected to become 12% (USD 115 billion) by FY 2019-20. It was 7% of total retail in FY 2009-10.

Currently, the food and groceries (F&G) segment constitutes a majority share of the retail market (67%). F&G will continue to be the largest contributor in the retail market even four years hence with a projected share of 66% in 2020.

16 Indian states contribute approximately 85% of the total retail spend and are expected to continue having a significant share of the total retail consumption. The state of Maharashtra contributes the highest share of around 19% among these leading states. The state is expected to continue to reflect this steady growth. Gujarat is another state that is expected to continue to reflect steady growth.

While organised retail, primarily brick & mortar, has been in India for more than two decades now, its contribution to total retail is still low at 9% (USD 55 billion) as of 2016, a modest increase from around 7% in 2012.

In 2012, the e-tail market size was only USD 0.6 billion with the then key categories like electronics, books, stationery and music catering to nearly 50% of the market share. Currently, the e-tail market in India is 2% (USD 14 billion) of the overall retail market and is projected to be 4% to 6% (USD 43 billion to USD 65 billion) of the overall retail market by 2020.

Consumer electronics, being a highly standardised category, currently constitutes a major portion of the e-tail market in India. This is followed by apparel and lifestyle. These two categories are expected to lead the online space in 2025 as well.

3. BUSINESS OVERVIEW

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

We opened our first store in Mumbai, Maharashtra in 2002. As of 31st March, 2017, we had 131 stores with Retail Business Area of 4.06 million sq.ft., located in Maharashtra (60 stores), Gujarat (29), Karnataka (11), Telangana and Andhra Pradesh (20), Madhya Pradesh and Chhattisgarh (5), NCR (1), Daman (1), Tamil Nadu (1) and Rajasthan (3).

Our strategy is to lead on price while investing to differentiate on assortment, geographic expansion and cost optimisation. Our business model is based on the concept of offering value retailing to our customers using the EDLC / EDLP (Everyday Low Cost/Everyday Low Price) strategy. It is based on offering low prices on an everyday basis. This is done by achieving low procurement and operational cost, rather than as special promotions limited to certain products or to a particular day, week or any other specific period in the year.

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

3.1 Key Performance Indicators

At the end of the Fiscals 2017, 2016, 2015 and 2014, we had 131, 110, 89 and 75 stores with Retail Business Area of 4.06 million sq. ft., 3.33 million sq. ft., 2.66 million sq. ft. and 2.14 million sq. ft., respectively.

We operate distribution centres and packing centres, which form the backbone of our supply chain to support our retail store network. As of 31st March, 2017, we had 23 distribution centres and 5 packing centres in Maharashtra, Gujarat, Telangana and Karnataka.

We have witnessed a steady growth in our total number of bill cuts. Our total number of bill cuts, was 10.85 crores during the fiscal 2017 as compared to 8.47 crores during fiscal 2016.

Our annualised revenue from sales per retail business area sq. ft. (#) was ₹ 31,120 for fiscal 2017 and ₹ 28,136 for fiscal 2016.

#Annualised revenue from sales calculated on the basis of 365 days in a year (on standalone basis) divided by Retail Business Area at the end of fiscal.

3.2 Financial Performance and Means of Finance

Particulars	Standalone			Consolidated		
	FY 2017	FY 2016	Increase/ (Decrease)%	FY 2017	FY 2016	Increase/ (Decrease)%
Net Sales/Income from operations	1,188,111.90	857,517.64	38.55	1,189,769.56	858,375.92	38.61
Other Income	3,128.86	2,005.02	56.05	2,855.93	1,793.73	59.22
Finance Cost	12,180.39	9123.45				
Profit Before tax	74,711.27	48,835.17	52.99	74,708.42	49,171.29	51.94
Profit After Tax	48,263.85	31,791.16	51.81	47,879.81	32,024.25	49.51
EPS - Basic (in ₹)	8.56	5.66		8.49	5.70	
EPS - Diluted (in ₹)	8.55	5.66		8.48	5.70	

This year, the Company successfully closed its Initial Public Offering (IPO). The IPO of 62,541,806 Equity Shares was offered to investors at a price of ₹ 299 per share aggregating to ₹ 1,870 crores. The IPO was well subscribed across all investor categories and the Company is now listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The proceeds thus raised will be used for (a) repayment or prepayment of a portion of loans and redemption or earlier redemption of NCDs availed by our Company (b) construction and purchase of fit outs for new stores and (c) general corporate purposes.

3.3 Human Capital

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

We believe that our emphasis on training our employees improves our operational efficiency as well as our customer service standards. These training programmes focus on (i) responsibility to customers to provide them quality products at affordable prices, (ii) constantly improving our operations at stores to enhance our customer service standards.

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

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

3.4 Information Technology (IT)

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

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

3.5 Internal Control Systems and Their Adequacy

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

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

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

During the year, we carried out a detailed review of internal financial controls. The findings were satisfactory and suggestions for improvement have been taken up for

implementation. Policy guidelines and standard operating procedures (SOPs) continue to be updated where required to keep pace with business requirements.

3.6 Risk Management

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

Cautionary Statement

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

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Seventeenth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2017.

Financial Statements and Results

The Company's performance during the year ended 31st March, 2017 compared to the previous financial year, is summarised below:

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Income from operations	1,188,111.90	857,517.64	1,189,769.56	858,375.92
Other Income	3,128.86	2,005.02	2,855.93	1,793.73
Total Income	1,191,240.76	859,522.66	1,192,625.49	860,169.65
Expenses	1,116,529.49	810,687.49	1,116,625.02	810,991.15
Share of net loss of associate	-	-	(1292.05)	(7.21)
Profit before tax	74,711.27	48,835.17	74,708.42	49,171.29
Less: Tax Expense	26,447.42	17,044.01	26,828.61	17,147.04
Profit after Tax	48,263.85	31,791.16	47,879.81	32,024.25
Other comprehensive income (net of taxes)	78.24	27.90	81.52	28.27
Transfer to Debenture Redemption Reserve	9,640.00	2,264.00	9,640.00	2,264.00
Balance carried forward to retained earnings	38,702.09	29,555.06	38,316.75	29,784.00

The financial statements for the year ended 31st March, 2017 have been prepared under Ind AS (Indian Accounting Standards).

The financial statements for the year ended 31st March, 2016 have been restated in accordance with Ind AS for comparative information.

Business and Operations

The Company has recorded another steady year of growth, despite performing in a highly competitive environment in the Retail Sector. Your Company has opened 21 new stores during the year under review, taking the total store count to 131 across the country.

The Company's total income on Standalone basis was ₹ 1,191,240.76 Lakhs compared to previous year's ₹ 859,522.66 Lakhs, registering a steady growth of 38.59% on a year over year basis. The Company has earned Standalone Net Profit of ₹ 48,263.85 Lakhs.

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

Credit Rating

Your Company continues to enjoy high credit quality rating for its Debentures and long-term bank facilities/commercial paper programme.

In April 2017, CRISIL has upgraded the Company's rating on the long-term bank facilities and non-convertible debentures of Avenue Supermarts Ltd (ASL) to 'CRISIL AA/Stable' from 'CRISIL AA-/Positive', and reaffirmed its rating on the commercial paper programme at 'CRISIL A1+'.

Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

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

Initial Public Offering

The Directors are pleased to inform the Company's Initial Public Offering (IPO) of 62,541,806 Equity Shares of face value of ₹ 10/- (Rupees Ten only) by way of Book Building Process received an overwhelming response from the investors. The Issue was opened on 8th March, 2017 and closed on 10th March, 2017. The issue was oversubscribed by 104.41 times, with QIB portion getting oversubscribed by 148.49 times, non-institutional portion by 272.20 times and the retail portion by 7.32 times. The allotment of 62,541,806 Equity Shares of ₹ 10/- each for cash at a premium of ₹ 289/- per share aggregating to ₹ 187,000 Lakhs under the said IPO was made on 18th March, 2017. Subsequent to the completion of IPO, the paid up equity share capital of the Company got increased from ₹ 56,154.27 Lakhs to ₹ 62,408.45 Lakhs.

The trading of Equity Shares of the Company commenced on National Stock Exchange of India Limited and BSE Limited on 21st March, 2017. The success of IPO reflects the trust, faith and confidence that customers, business partners and markets have reposed in your Company.

Utilisation of IPO Proceeds

The proceeds realised by the Company from the Issue shall be utilised as per the Objects of the Issue.

The proceeds of the issue are being utilised for repayment or pre-payment of term loans and redemption or early redemption of Non Convertible Debentures of the Company, for Construction and purchase of fit outs for new stores and General Corporate Purposes.

There has been no deviation in the utilisation of the IPO proceeds of the Company.

Share Capital

The paid up Equity Share Capital as on 31st March, 2017 amounted to ₹ 62,408.45 Lakhs.

The Company has not issued any shares with differential rights as to dividend, voting or otherwise.

Dividend

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

Dividend Distribution Policy

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") mandates top 500 Listed Companies based on their market capitalisation to formulate Dividend Distribution Policy. Accordingly, the policy was adopted to set out parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to the shareholders. The Policy is enclosed as **Annexure I** and is also available on the Company's website under the web link <http://www.dmartindia.com/investor-relationship>

Transfer to Reserves

Pursuant to the Companies (Share Capital and Debentures) Rules, 2014 ('Rules') issued by the Ministry of Corporate Affairs an amount of ₹ 9,640.00 Lakhs has been transferred to Debenture Redemption Reserve from the profits of the year.

The Board of Directors has not recommended transfer of any amount of profit to reserves during the year under review other than as mentioned above. Hence, the remaining amount of profit for the financial year under review has been carried forward to the Statement of Profit and Loss.

Consolidated Financial Statements

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements forms part of this Annual Report and shall also be laid before the ensuing Annual General Meeting of the Company. The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Consolidated Financial Statements for the financial year ended 31st March, 2017 are the Company's first Ind-AS compliant annual Consolidated Financial Statements with comparative figures for the year ended 31st March, 2016 which is also as per Ind-AS. The date of said transition is 1st April, 2015.

Report on Performance of Subsidiaries, Associates and Joint Venture Companies

A report on the performance and financial position of each of the subsidiaries and associate companies as per the Companies Act, 2013 is provided as **Annexure II** and forms part of this Report.

Particular of Contracts or Arrangement with Related Parties

All related party transactions entered into by the Company during the financial year were in the ordinary course of business and on arm's length basis and in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. During the financial year under review, none of the transactions entered into with related parties were material as defined under the Act and Listing Regulations.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at www.dmartindia.com. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. There were no transactions during the year which would require to be reported in Form AOC-2.

Particulars of Loans, Guarantees, Investments and Securities

Particulars of loans given, investments made, guarantees given and securities provided forms part of the notes to the standalone financial statements.

MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments

The constitution of the Board of Directors is in accordance with Section 149 of the Companies Act and Listing Regulations.

Mr. Chandrashekhar Bhave (DIN: 00059856) was appointed as an Additional Director of the Company (Independent Category) under Section 161 of the Companies Act, 2013 w. e. f 17th May, 2016. Consequently, the Shareholders of the Company at their 16th Annual General Meeting (AGM) held on 16th September, 2016 approved the appointment of Mr. Chandrashekhar Bhave as an Independent Director of the Company, for a term of five years as per the provisions of Section 149 of the Companies Act, 2013 read with rules made thereunder.

Retire by rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013, 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 being eligible has offered himself for re-appointment. Necessary resolution for his re-appointment is included in the Notice of AGM for seeking approval of Members. The Directors recommend his re-appointment for your approval.

A brief resume and particulars relating to him is given separately as an annexure to the AGM Notice.

Key Managerial Personnel

There were no changes in the Key Managerial Personnel during the year.

Declarations by Independent Directors

The Company has received and taken on record the declarations received from the Independent Directors of the Company in accordance with the Section 149(6) of the Companies Act, 2013 confirming their independence and Regulation 25 of the Listing Regulations.

Familiarisation Programme

In compliance with the requirements of the Listing Regulations, the Company has put in place a familiarisation programme for the Independent Directors to familiarise them with their roles, rights and responsibilities as Independent Directors, the working of the Company, nature of the industry in which the Company operates, business model and so on. The same is also available on the Company website at www.dmartindia.com

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Board Meetings

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

In terms of requirements of Schedule IV of the Act, a separate meeting of Independent Directors was also held on

11th February, 2017 to review the performance of Non Independent Directors (including the Chairpersons), the entire Board and its Committees thereof, quality, quantity and timelines of the flow of information between the Management and the Board.

Audit Committee

The composition of the Audit Committee is in conformity with the provisions of the Section 177 of the Companies Act, 2013 and Listing Regulations. The Audit Committee comprises:

Sr. No.	Name	Designation
1.	Mr. Chandrashekhar Bhave	Chairman
2.	Mr. Ramesh Damani	Member
3.	Mr. Ramakant Baheti	Member

Consequent upon the appointment of Mr. Chandrashekhar Bhave (DIN: 00059856) as an Independent Director on the Board of the Company, the Audit Committee was re-constituted w.e.f. 17th May, 2016 by inducting Mr. Chandrashekhar Bhave as the Member of the Audit Committee and Mrs. Manjri Chandak ceased to be the member of Audit Committee w.e.f 17th May, 2016.

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.

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 Listing Regulations. The Nomination and Remuneration Committee comprises :

Sr. No.	Name	Designation
1.	Mr. Chandrashekhar Bhave	Chairman
2.	Mr. Ramesh Damani	Member
3.	Mrs. Manjri Chandak	Member

Consequent upon the appointment of Mr. Chandrashekhar Bhave (DIN: 00059856) as an Independent Director on the Company's Board, the Nomination and Remuneration Committee was re-constituted w.e.f. 17th May, 2016 by inducting Mr. Chandrashekhar Bhave as the Member of the Nomination and Remuneration Committee and Mr. Ramakant Baheti ceased to be the member of Nomination and Remuneration Committee from the same date.

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 Nomination and Remuneration policy, which provides the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees in accordance with the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Policy of the Company is attached herewith as **Annexure III**.

Stakeholders Relationship Committee

The Stakeholders' Relationship Committee comprises Mrs. Manjri Chandak as Chairperson and Mr. Ramakant Baheti as Member of the Committee. The Company Secretary acts as Secretary of the said Committee. The terms of reference of the Stakeholders' Relationship Committee and the particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report.

Corporate Social Responsibility Committee

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

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

The details of the Company's CSR activities are attached in **Annexure IV**. The CSR Policy is also placed on the website of the Company www.dmartindia.com

Consequent upon the appointment of Mr. Chandrashekhar Bhave (DIN: 00059856), the CSR Committee of the Company was reconstituted to be effective from 8th November 2016 and currently comprises :

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

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

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, 2017, the Board of Directors hereby confirms that:

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

- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for that year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Vigil Mechanism Policy for the Directors and Employees

The Company's Board of Directors, 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, has framed 'Vigil Mechanism Policy' for Directors and employees of the Company. The policy is to provide a mechanism, which ensures adequate safeguards to employees and Directors from any victimisation or raising of 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

Risk Management Policy

A detailed review of business risks and the Company's plans to mitigate them is assessed and considered by the Company's Board of Directors. 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, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Risk evaluation is an ongoing and continuous process within the Company and it is regularly updated to the Board of the Company.

A Risk Management Committee is constituted, which has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's enterprise wide risk management framework.

The Risk Management Committee comprises :

Name	Category	Designation
Mr. Ignatius Navil Noronha	Executive Director	Chairman
Mr. Ramakant Baheti	Executive Director	Member
Mrs. Manjri Chandak	Non-Executive, Director	Member
Mr. Ashutosh Dhar	VP – Risk Management	Member

Annual Evaluation of Directors, Committees and Board

Pursuant to the captioned requirements, an annual evaluation had been carried out and the Board is pleased to report that the result thereof show that the Company is well-equipped in the management as well as the governance aspects.

In a separate meeting of Independent Directors held on 11th February, 2017, performance of Non-independent Directors and performance of the Board as a whole was evaluated. The Independent Directors were satisfied with the overall functioning of the Board, its various committees and performance of other Non-Executive and Executive Directors.

PARTICULARS OF EMPLOYEES

Disclosure with respect to remuneration of Directors and employees as 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 forms part of the Board's Report (**Annexure V**).

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

Employee Stock options

The Employee Stock Option Scheme (ESOP Scheme/Scheme) 2016 was approved by the shareholders at their 16th Annual General Meeting held on 16th September, 2016. The Scheme has been formulated in accordance with the provisions of the Companies Act, 2013, as amended and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014. The disclosures in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 are uploaded on the website of the Company; www.dmartindia.com

The objects of the Scheme are, inter alia, to provide an incentive to reward and motivate employees and enable them to participate in the long-term financial growth of the Company. The Company has granted stock options to the eligible employees. The options will be exercisable into equity shares as per the terms and conditions as stipulated in ESOP Scheme 2016.

The Employee Stock Option Scheme 2016 is being administered and monitored by the ESOP Committee of the Company in

accordance with the SEBI Guidelines. ESOP Committee at its meeting held on 14th March, 2017 approved grant of 13,973,325 options under the ESOP Scheme 2016 to the eligible employees.

Internal Control Systems

Adequate internal control systems commensurate with the nature of the Company's business, its size, and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

AUDITORS AND REPORTS

The matters related to Auditors and their Reports are as under

Observations of Statutory Auditors on Accounts for the year ended 31st March, 2017

The Auditors Report for the financial year ended 31st March, 2017 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.

Secretarial Audit Report for the year ended 31st March 2017

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 2016-17. The said Report is attached and forms part to this report. (**Annexure VI**)

Appointment of Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, Dalal & Shah LLP, Chartered Accountants, (Firm Registration No.: 102021W) the Statutory Auditors of the Company, holds office upto the conclusion of the ensuing Annual General Meeting.

The Board has considered and recommends appointment of S R B C & Co LLP, Chartered Accountants, (Firm Registration No.324982E/E300003) as Statutory Auditors of the Company to hold office from the conclusion of 17th Annual General Meeting until the conclusion of 22nd Annual General Meeting of the Company. The Company has received the consent of the S R B C & Co LLP, Chartered Accountants along with certificate under Section 139 of the Act to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are not disqualified to act as the Auditor of the Company.

Necessary resolution for appointment of the said Auditor is included in the Notice of AGM for seeking approval of the members.

Internal Audit and Control

Mr. Rajan Arora, Internal Auditor of the Company has carried out audit of financial transactions of the Company and inventory management. The findings of the Internal Auditor are discussed on an on-going basis in the meetings of the Audit Committee and

various steps have been taken to implement the suggestions of the said Internal Auditor.

OTHER DISCLOSURES:

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

Extract of Annual Return

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March, 2017 made under the provisions of Section 92(3) of the Act is attached as **Annexure VII**, which forms part of this Report.

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

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

Report on Corporate Governance and Management Discussion and Analysis

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013, and as stipulated under the Listing Regulations. A separate section titled 'Corporate Governance Report' under the Listing Regulations along with a certificate from the Practising Company Secretary confirming the compliances and 'Management Discussion and Analysis' are annexed and form part of this Annual Report.

GENERAL

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

1. Deposits covered under Chapter V of the Act;
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, which would impact 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 Act 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.

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

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

During the financial year 2016-17, the Company had not received any complaints on sexual harassment.

ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and regulatory bodies for their consistent support and encouragement to the Company.

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

Place: Thane
Date: 22nd July, 2017

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

Ignatius Navil Noronha
Managing Director
DIN: 01787989

Ramakant Baheti
Whole-time Director
DIN: 00246480

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

I. Objective of the Policy

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

II. Regulatory Framework

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

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

III. Forms of Dividends

Final Dividend

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

Interim Dividend

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

IV. Factors affecting Dividend Declaration

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

1. Internal factors and financial parameters

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

- a) **Magnitude and Stability of Earnings:** The extent of stability and magnitude of company's earnings will directly influence the dividend declaration. Thus, the dividend is directly linked with the availability of the earnings (including accumulated earnings) with the Company.
- b) **Liquidity Position:** A company's liquidity position also determines the level of dividend. If a company

does not have sufficient cash resources to make dividend payment, then it may reduce the amount of dividend pay-out.

- c) **Future Requirements:** If a company foresees some profitable investment opportunities in near future including but not limited to brand/business acquisitions, expansion / modernisation of existing businesses, additional investments in subsidiaries/associates of the Company, fresh investments into external businesses, then it may decide for lower dividend payout and vice-versa.
- d) Leverage profile and liabilities of the Company
- e) Working capital requirements
- f) Capital expenditure requirements
- g) Cash flow required to meet contingencies
- h) Past Dividend Trends
- i) Any other factor as deemed fit by the Board.

2. External Factors

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

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

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

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

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

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

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

VIII. Procedure

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

IX. Disclosure

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

X. Review and Amendment

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

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

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

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

ANNEXURE II**Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures****FORM AOC- 1**

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

Part "A": Subsidiaries

	Align Retail Trades Private Limited	Avenue Food Plaza Private Limited	Nahar Seth & Jogani Developers Private Limited	(Amt in ₹ Lakhs)
1 Name of the subsidiaries				
2 Date since when subsidiary was acquired	18.08.2009	18.08.2005		21.02.2014
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
4 Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	N.A	N.A		N.A
5 Share capital	200.00	1.00		10.00
6 Reserves and Surplus	963.41	906.21		135.27
7 Total Assets	4,593.47	985.06		1,120.96
8 Total Liabilities	3,430.06	77.85		975.69
9 Investments	NIL	416.58		NIL
10 Turnover	58,756.99	1,556.63		75.00
11 Profit before taxation	872.51	577.06		61.46
12 Provision for taxation	291.59	190.48		15.71
13 Profit after taxation	580.92	386.58		45.75
14 Proposed Dividend	NIL	NIL		Nil
% of shareholding	100%	100%		90%

* Total Liabilities excluding of share capital and Reserves & Surplus

Names of the subsidiaries which are yet to commence operations - NIL

Names of subsidiaries which have been liquidated or sold during the year – NIL

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to the Associate Companies & Joint Ventures**Part "B": Associates and Joint Ventures**

Name of Associates	Avenue E-Commerce Limited
1. Latest audited Balance Sheet Date	31-03-2017 (Audited)
2. Date on which the associate was associated	10.08.2015
3. Shares of Associate held by the company on the year end	
No. of shares	34,517,432
Amount of Investment in Associates	3,451.74
Extent of Holding %	49.21%
4. Description of how there is significant influence	Shareholding exceeding 20% of paid-up share capital
5. Reason why the associate/joint venture is not consolidated	NA
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	2,153.04
7. Profit / Loss for the year	(2,625.58)
i. Considered in Consolidation	(1,292.05)
ii. Not Considered in Consolidation	(1,333.53)

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
DIN: 01787989

Ramakant Baheti
Whole-time Director
DIN: 00246480

Ashu Gupta
Company Secretary
ACS: 13449

ANNEXURE III

Nomination and Remuneration Policy of Avenue Supermarts Limited

INTRODUCTION

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

OBJECTIVES OF THE COMMITTEE

The Committee shall:

- i. 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 Senior Management Personnel;
- ii. Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii. 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;
- iv. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel;
- v. Devise a policy on diversity of Board of Directors; and
- vi. Decide 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.

This Policy is divided in two parts:

Part A-Policy for appointment of and payment of remuneration to Director, Key Managerial Personnel and Senior Management and Annual evaluation;

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

Effective Date

The following 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 Senior Management And Annual Evaluation

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, 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;
 - (i) Who is or was not a promoter of the Company or its holding, subsidiary or associate company;
 - (ii) Who is not related to promoters or Directors in the Company, its holding, subsidiary or associate company;
 - b) Who has or had no pecuniary relationship 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;
 - c) None of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or Directors, amounting to 2% or more of its gross turnover or total income or ₹ 50 lakh or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 - d) 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 or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) A firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or

ANNEXURE III

- (B) Any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - (iii) Holds together with his relatives 2% or more of the total voting power of the Company; or
 - (iv) Is a Chief Executive or Director, by whatever name called, of any non- profit organisation that receives 25% or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company; or
 - e) Who possesses such other qualifications as may be prescribed.
- **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 as may be prescribed under the applicable statutory provisions / regulations.
 - **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.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 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
- Senior Management Personnel

Constitution of the Nomination and Remuneration Committee

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

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

General Appointment Criteria

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, Independent Director or KMP and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.
- 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 of the Company. The CEO 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.

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

ANNEXURE III

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 shall retire as per the provisions of the applicable Acts, Rules and Regulations and in accordance with the prevailing policy of the Company. Retirement of Senior Management Personnel shall be in accordance with the prevailing HR policy of the Company. Employment of the services of the Directors, KMP, Senior Management Personnel as consultants after their retirement would be at sole discretion of the Board.

Remuneration

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director and KMP 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 and CEO /Whole-time Director

- i. The overall limits of the remuneration/ compensation/ commission to be paid to Managing Director and CEO /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. The fixed component shall comprise salary, perquisites, allowances, amenities; whereas the variable component consists of performance bonus.

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. An Independent Director shall not be eligible for Stock Options.

3. KMP / Senior Management Personnel

- 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 Senior Management Personnel 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 Chief Executive Officer of the Company.
- iii. If the remuneration of any KMP, SMP or any other officer is specifically required to be approved by the Committee or Board of Directors under any regulations, then such approval will be accordingly sought.
- iv. The Senior Management Personnel 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.
- v. The remuneration, performance appraisal and rewards to Senior Management and other employees, shall be in line with the stated objectives.
- vi. The annual increments for the Senior Management and KMP (other than Whole-Time Directors) and other employees shall be linked to their overall performance and as decided by the CEO and Managing Director in consultation with their reporting managers and Human Resources Department.
- vii. Senior Management and other employees must conduct themselves to ensure that no breach of Code of Conduct, Standard Operating Procedures (SOPs) and all other relevant and applicable Codes is committed. Any such breach will have a direct bearing on their performance appraisal and rewards and shall also attract appropriate disciplinary action.

ANNEXURE III

4. Annual Evaluation

The annual evaluation of the Directors, Independent Directors, KMP and SMP shall be made in pursuance of the Annual Evaluation Policy of the Company.

- i. The annual increment and performance based bonus is based on criteria of roles and responsibility, the Company's performance with the annual budget achievement, individual performance of the Senior Management Personnel vis-à-vis industry's benchmarks.
- ii. The Nomination and Remuneration Committee shall carry out the annual performance review of the Directors and KMP after taking into consideration their appraisal ratings and other factors and recommend the same to the Board for their approval.

5. 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.

PART B – POLICY ON DIVERSITY OF BOARD OF DIRECTORS OF THE COMPANY

A. Policy Statement

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

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

I. Optimum Composition

- a) The Board shall have an optimum combination of Executive and Non-Executive Directors and not less than 50% of the Board of Directors comprising Non-Executive Directors;
- b) At least half of the Board should consist of Independent Directors (where the Chairman of the Board is Executive) 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 woman Director on the Board to ensure that there is no gender inequality on the Board.

II. Recommendation

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

- a) Review Board composition, consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.
- b) Identify suitable candidates for appointment to the Board, consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

III. Functional Diversity

- a) Appointment of Directors to the Board of the Company should be based on specific needs and business of the Company. Appointment should be done based on the qualification, knowledge, experience and skill of the proposed appointee which is relevant to the business of the Company;
- b) Knowledge of and experience in domain areas such as finance, legal, risk management, industry, and so on, should be duly considered while making appointments to the Board level;
- c) While appointing Independent Directors, care should be taken as to the independence of the proposed appointee;
- d) Directorships in other companies may also be taken into account while determining the candidature of a person.

ANNEXURE IV

ANNUAL REPORT ON CSR ACTIVITIES

The Company believes in giving back to the society and undertakes CSR initiatives according to the guidelines given in Companies Act 2013. 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 initiative is termed the 'School Excellence Programme.' It consists of education intervention, promoting education and providing educational opportunity to children from socially and economically disadvantaged communities.

Through this programme, the Company envisages the breaking of the vicious poverty circle that happens due to the lack of quality education. By providing adequate infrastructure in terms of building aesthetics, e-learning classrooms, computer labs, libraries, playgrounds, toilets, drinking water facilities etc., the Company strives to augment the students' learning experience.

Apart from instating adequate infrastructure, pedagogical interventions are also undertaken. Teachers are deployed in the schools, and they are trained from time to time. For students who require additional help, remedial classes are given free of cost. Through partnerships with expert NGOs, activity-based learning is also being piloted.

To ensure a 360 degree intervention, every stakeholder in the students' education journey is made to involve in the programme. Apart from the students themselves, parents are counselled regarding the holistic development of the child, while teachers are trained to deliver quality sessions.

In the last 3 years, the Company has impacted about 50,000 students from 130 municipal schools. In the schools adopted in Thane district of Maharashtra, stellar results in S.S.C. Examination have been achieved by the students, with 100% pass result in one of them.

Apart from the direct initiatives taken up and monitored by the Company, grants are also given from time to time to organisations.

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

2. The composition of the CSR Committee

Name	Designation
Mr. Chandrashekhar Bhave	Chairman
Mr. Ramakant Baheti	Member
Mr. Ramesh Damani	Member
Mrs. Manjri Chandak	Member

3. Average Net Profit of the Company for last three financial years: ₹ 35,209.33 Lakhs
4. Prescribed CSR Expenditure (two percent of the amount as per item 3 above): ₹ 704.19 Lakhs
5. Details of CSR spent during the financial year:
 - (a) Total amount to be spent/spent for the financial year: ₹ 734.5 Lakhs
 - (b) Amount unspent if any : Nil

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

Sr. No	CSR Project or activity identified	Sector in which the project is covered	Project or programme (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Amount outlay (budget)project or programme wise.	Amount Spent on the projects or programmes sub heads (1) Direct expenditure on projects and programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
							₹ Lakhs
1	Construction and Repairs of Toilets in Municipal Schools	Education	Mumbai Maharashtra	0	0	17.2	Direct
2	Drinking Water facility in Municipal Schools	Education	Mumbai & Thane Maharashtra	1	1	5.82	Direct
3	Repairs of Drainage line, Boundary Wall and Sanitation facilities in Municipal School	Education	Mumbai & Thane Maharashtra	4.25	4.25	23.51	Direct
4	Computer Skills and Computer Added Learning	Education	Mumbai Maharashtra	149.2	149.2	247.43	Direct
5	Digital Class Room & E Learning	Education	Mumbai Maharashtra	3.97	3.97	3.97	Direct
6	Science Education	Education	Mumbai Maharashtra	18.67	18.67	32.98	Direct
7	Library and Reading Rooms	Education	Mumbai Maharashtra	25.95	25.95	35.03	Direct
8	Pedagogy & Activity Bases Learning	Education	Mumbai & Thane Maharashtra	19.93	19.93	19.93	Direct

ANNEXURE IV

Sr. No	CSR Project or activity identified	Sector in which the project is covered	Project or programme (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Amount outlay (budget)project or programme wise.	Amount Spent on the projects or programmes sub heads (1) Direct expenditure on projects and programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
9	Running Balwadiies in 20 Schools for developing pre -School foundation in association with MCGM Mumbai	Education	Mumbai Maharashtra	20.35	20.35	60.69	Direct
10	Remedial Classes for 9th & 10Th STD	Education	Mumbai & Thane , Maharashtra	24.97	24.97	35.13	Direct+ Global Education Trust
11	BALA Paintings and Color Wash	Education	Mumbai & Thane Maharashtra	27.1	27.1	58.78	Direct
12	Non formal education for Tribal & rural villages	Education	Tribal areas Pan India	20	20	40	Grant to Friends of Tribal Society
13	PPP Model Thane Municipal Corporation English Medium School	Education	Thane , Maharashtra	25.13	25.13	34.14	Direct
14	Play ground & Sports Fixtures and Sports material	Education	Mumbai Maharashtra	5.7	5.7	9.99	Direct
15	Counseling, Parents Meeting and Community Building	Education	Mumbai ,Thane Maharashtra	0.54	0.54	6.89	Direct
16	Adhyayan School Review	Education	Mumbai	1.86	1.86	1.86	Direct
17	Swachh School Abhiyan	Education	Mumbai Maharashtra	8.76	8.76	12.68	Direct
18	CSR Programme Consultant/ Implementors	Education	Mumbai , Thane Maharashtra	12.6	12.6	12.6	Direct
19	School Furniture	Education	Mumbai Maharashtra	0	0	9.75	Direct
20	Mid-day meal in Vidhyadhiraj High school	Education	Mumbai Maharashtra	0.45	0.45	3.07	ISKON Food Relief Foundation
21	Grant to Seva Mandir Udaipur for Kaya Learning Centre	Education	Udaipur , Rajasthan	10.02	10.02	19.93	Seva Mandir Udaipur, Rajasthan
22	Grant to Agastya International	Education	Pan India	0	0	51	Agastya International Bangalore
23	Grant to International Foundation	Education	Ashoka University Haryana	250	250	550	Grant to International Foundation
24	Grant to Habitat for humanity	Rural Housing	Raigarh , Maharashtra	1.3	1.3	2.4	Grant to habitat for humanity
25	Grant to Om Creation Lively Hood for Differently Abled Persons		Mumbai Maharashtra	100	100	100	Grant to Om Creations for Building Fund
26	Grant to IIMPACT	Non Formal Education	Jaunpur Uttar Pradesh	0	0	50	Grant to IIMPACT
27	Miscellaneous Expenses	Education	Mumbai Maharashtra	2.75	2.75	4.41	Direct
Total				734.5	734.5	1449.19	

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

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

For and on behalf of the Board
Avenue Supermarts Limited

Ignatius Navil Noronha
Managing Director

Chandrashekhar Bhave
Chairman CSR Committee

ANNEXURE V

Information required under section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Ratio of Remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2016-17 is as follows.

Name of Director	Remuneration	Sitting Fees	Ratio of remuneration of Director to the Median remuneration
Mr. Ignatius Navil Noronha	34,772,899	-	160.27
Mr. Ramakant Baheti	7,770,000	-	35.81
Mr. Elvin Machado	6,766,285	-	31.19
Mrs. Manjri Chandak	-	575,000	2.65
Mr. Ramesh Damani	-	575,000	2.65
Mr. Chandrashekhar Bhave	-	460,000	2.12

Notes

1. Remuneration comprises salary, allowances, Company's contribution to provident fund and taxable value of perquisites.
2. The median remuneration of the Company for all its employees is ₹ 216,966 for the financial year 2016-17. For calculation of median remuneration, the employee count taken is 3,286 which comprises employees who have served for whole of the financial year 2016-17.
3. The percentage increase in the median remuneration of employees other than managerial personnel in the financial year 2016-17 was 32.47 %.
4. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 12% whereas the increase in the managerial remuneration was 2.31%. The increases in remuneration are as per the policy of the Company.

Details of percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2016-17 are as follows

Name	Designation	Gross Remuneration (₹)			Fix Increase/ (Decrease) (%)			Variable Increase/ (Decrease) (%)	
		2015-16		2016-17	Fix	Variable	Total	Fix	Variable
Mr. Ignatius Navil Noronha	Managing Director & CEO	34,772,899	146,000,000	180,772,899	34,772,899	-	34,772,899	-	-100.00
Mr. Ramakant Baheti	Whole-time Director & CFO	7,770,000		7,770,000	7,770,000		7,770,000		
Mr. Elvin Machado	Whole-time Director	4,980,445	600,000	5,580,445	5,326,285	1,440,000	6,766,285	6.94	140.00
Mrs. Ashu Gupta	Company Secretary & Compliance Officer	1,977,816	-	1,977,816	2,292,216	-	2,292,216	15.90	-
Mrs. Manjri Chandak	Non-Executive Director*	-	-	-	575,000	-	575,000	-	-
Mr. Ramesh Damani	Independent Director*	-	-	-	575,000	-	575,000	-	-
Mr. Chandrashekhar Bhave	Independent Director*	-	-	-	460,000	-	460,000	-	-

*No Sitting fee was paid during FY 2015-16.

1. There was no employee whose remuneration was in excess of the remuneration of the highest paid Director during the financial year.
2. The number of permanent employees on the rolls of Company as on 31st March, 2017 was 5070.
3. The remuneration is as per the Nomination and Remuneration Policy of the Company.

ANNEXURE VI

Form No. MR-3

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, 2017

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

Dear Sirs,

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

The Company made Initial Public Offering (IPO) of 62,541,806 Equity Shares of ₹ 10/- each through Book Building Process. The Issue opened on 8th March, 2017 and closed on 10th March, 2017. Under the said IPO, the Company made an allotment of 62,541,806 Equity Shares of ₹ 10/- each for cash at a premium of ₹ 289/- per share aggregating to ₹ 1,870 Crore on 18th March, 2017. Thereafter the equity shares of the Company were listed on the recognised Stock Exchanges namely BSE Limited and the National Stock Exchanges of India Limited on 21st March, 2017.

Based on our verification of the Company's books, papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2017, 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 I**, for the financial year ended on 31st March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder to the extent applicable;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings; (Not applicable during the said audit period)

Following acts, regulations, rules and guidelines as prescribed by the Securities and Exchange Board of India have become applicable with effect from 21st March 2017 i.e. date of listing of equity shares on recognised stock exchanges:

- (iii) The provisions of the Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder;
 - (iv) The Depositories Act, 1996 and the regulations and Bye - laws framed thereunder;
 - (v) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (vi) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (vii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (viii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (ix) 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 financial year under report:

ANNEXURE VI

- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - iv. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company is given in **Annexure II**.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013 and during the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, and so on.

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 change in the composition of the Board of Directors that took place during the year under review was carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda and detailed notes 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.

There were no dissenting member's views during the year under review; hence, the same was not required to be captured and recorded as part of the minutes.

Based on the records and processes explained to us for compliances under the provisions of other specific acts applicable to the Company, we report that there are adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has obtained Shareholders' approval for the following matters by way of Special Resolutions in the 16th Annual General Meeting held on 16th September, 2016;

- Issue and offer of Equity Shares of the Company of ₹ 10/- (Rupees Ten Only) each by way of Initial Public Offering;
- Authorising the Board of Directors to create charge, hypothecate, pledge or mortgage the Company's movable and/or immovable properties in terms of Section 180(1)(a) of the Companies Act, 2013 for securing loans, borrowings upto ₹ 2,00,00,00,000/- (Rupee Two Thousand Crores Only);
- Authorising the Board of Directors to borrow from time to time such sum(s) of money(ies) which together with the money(ies) already borrowed by the Company in terms of Section 180(1)(c) of the Companies Act, 2013 shall not exceed ₹ 2,00,00,00,000/- (Rupee Two Thousand Crores Only)

For Rathi & Associates
Company Secretaries

Himanshu S. Kamdar
Partner
FCS 5171
CP No. 3030

Place: Mumbai
Date: 22nd July, 2017

ANNEXURE VI

Annexure i

LIST OF DOCUMENTS VERIFIED

1. Memorandum and Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2016.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee held during the financial year under report along with Attendance Register.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers, including
 - Register of Transfers
 - Register of Charges
 - Register of Directors and Key Managerial Personnel and their shareholdings
 - Register of Contracts with Related Party and Contracts and Bodies and so on, in which Directors are interested

- Register of loans, guarantees and security and acquisition made by the Company
- Register of Debenture holders
- Register of Employee Stock Option
6. Agenda papers submitted to all the Directors/members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184, Section 164(2) and 149(7) of the Companies Act, 2013.
8. 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.
9. Various Policies made under the Companies Act, 2013 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
10. Documents and papers pertaining to the Initial Public Offering.

Annexure ii

LIST OF APPLICABLE LAWS TO THE COMPANY

- Consumer Protection Act, 1986
- Competition Act, 2002
- Indian Arbitration Act, 1999
- Essential Commodities Act
- Guard Board Act
- Shops and Establishment Act and Rules
- Companies Act, 2013 and Rules made thereunder
- Legal metrology Act and Rules
- Food Safety Standards Act and Rules
- Negotiable Instruments Act, 1881
- Drugs and Cosmetics Act, 1940
- The Trademarks Act, 1999
- Indian Copyright Act, 1957
- Designs Act, 2000
- The Indian Patent Act, 1970
- Income Tax Act, 1961
- Value Added Tax
- Central Sales Tax
- Central Excise Duty
- Customs Duty
- Indian Stamp Act and Stamp 1899 and stamp duties prescribed for respective states
- Octroi, Entry Tax and any other state specific taxation as applicable
- Minimum Wages Act, 1948
- Employees State Insurance Act, 1948
- Payment of Bonus Act, 1985
- Payment of Gratuity Act, 1972
- Employee Provident Fund and Miscellaneous Provisions Act, 1952
- The Maternity Benefits Act, 1961
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

ANNEXURE VII
**FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1.	Avenue Food Plaza Private Limited Anjaneya CHS Ltd, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076	U55200MH2004PTC146827	Wholly-owned Subsidiary	100%	2(87) of Companies Act, 2013
2.	Align Retail Trades Private Limited Plot No. C-40, TTC Industrial Area, Village Pawane, Thane Belapur Road, Navi Mumbai - 400 705	U52190MH2006PTC164826	Wholly-owned Subsidiary	100%	2(87) of Companies Act, 2013
3.	Nahar Seth & Jogani Developers Private Limited 903, Dalamal House, 206, J.B.Marg, Nariman Point, Mumbai-400 021	U45201MH2014PTC253497	Subsidiary	90%	2(87) of Companies Act, 2013
4.	Avenue E-Commerce Limited Anjaneya CHS Ltd, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076	U74120MH2014PLC259234	Associate	49.21%	2(6) of Companies Act, 2013

ANNEXURE VII**IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)****i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held as on 1 st April, 2016				No. of Shares held as on 31 st March 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
Promoters	394160000	394160000	70.19	334160000	-	334160000	53.54	-16.65	
Promoters Group	110000	110000	0.02	110000	-	110000	0.01	0.01	
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	88750000	88750000	15.80	88750000	-	88750000	14.22	-1.58
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Trust)	-	30000000	30000000	5.34	90000000	-	90000000	14.42	9.08
Sub-total(A)(1):	513020000	513020000	91.35	513020000	-	513020000	82.20	-9.15	
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	-	513020000	513020000	91.35	513020000	-	513020000	82.20	-9.15
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	19257784	-	19257784	3.08	3.08
b) Banks / FI	-	-	-	-	25921	-	25921	0.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII/Foreign portfolio investor	-	-	-	-	26965789	-	26965789	4.32	4.32
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	46249494	-	46249494	7.41	7.41
(2) Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	100000	100000	0.01	4359716	100000	4459716	0.71	0.69
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	19316496	19316496	3.44	7835755	4446450	12282205	1.96	-1.51	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	29071184	29071184	5.17	12166732	33548405	45715137	7.32	2.16	
c) Others (specify)	-	-	-	-	-	-	-	-	-
Trust	-	-	-	-	165935	0	165935	0.02	0.02
Foreign Nationals	-	-	-	-	250	0	250	0.00	0.00
Hindu Undivided Family	-	35000	35000	0.00	698667	10000	708667	0.11	0.11
Non Resident Indians (Non Repat)	-	-	-	-	54285	0	54285	0.00	0.00
Non Resident Indians (Repat)	-	-	-	-	214287	0	214287	0.03	0.03
Foreign Portfolio Investor (Individual)	-	-	-	-	385	0	385	0.00	0.00
Clearing Member	-	-	-	-	1214125	0	1214125	0.19	0.19
Sub-total(B)(2):	-	48522680	48522680	8.65	26710137	38104855	64814992	10.38	1.73
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	48522680	48522680	8.65	72959631	38104855	111064486	17.80	9.15
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	561542680	561542680	100	585979631	38104855	624084486	100	-	

ANNEXURE VII**ii. Shareholding of Promoters and Promoters Group**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Radhakishan S. Damani	281930000	50.21	-	245930000	39.41	-	-10.80
2.	Mr. Gopikishan S. Damani	74980000	13.35	-	50980000	8.17	-	-5.18
3.	Mrs. Shrikantadevi R. Damani	22250000	3.96	-	22250000	3.57	-	-0.39
4.	Mrs. Kirandevi G. Damani	15000000	2.67	-	15000000	2.40	-	-0.27
5.	Bright Star Investments Pvt. Ltd.	88750000	15.80	-	88750000	14.22	-	-1.58
6.	Mr. Radhakishan S. Damani and Mrs. Shrikantadevi Damani (Holding shares on behalf of Royal Palm Pvt Beneficiary Trust)	6000000	1.05	-	18000000	2.88	-	1.83
7.	Mr. Radhakishan S. Damani and Mrs. Shrikantadevi Damani (Holding shares on behalf of Bottle Palm Pvt Beneficiary Trust)	6000000	1.05	-	18000000	2.88	-	1.83
8.	Mr. Radhakishan S. Damani and Mrs. Shrikantadevi Damani (Holding shares on behalf of Mountain Glory Private Beneficiary Trust)	6000000	1.05	-	18000000	2.88	-	1.83
9.	Mr. Gopikishan S. Damani and Mr. Radhakishan S. Damani (Holding shares on behalf of Gulmohar Private Beneficiary Trust)	6000000	1.05	-	18000000	2.88	-	1.83
10.	Mr. Gopikishan S. Damani and Mr. Radhakishan S. Damani (Holding shares on behalf of Karnikar Pvt Beneficiary Trust)	6000000	1.05	-	18000000	2.88	-	1.83
11.	Mrs. Rukmanidevi Mohanlal Bagri (Promoter Group)	100000	0.01	-	100000	0.01	-	0.00
12.	Mrs. Chanda Chandak (Promoter Group)	10000	0.00	-	10000	0.00	-	0.00
Total		513,020,000	91.35	-	513,020,000	82.20	-	-9.15

ANNEXURE VII

iii. Change in Promoter and Promoter group Shareholding

Sr. No.	Name of the Promoters	Shareholding at the beginning of the year (01.04.2016)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Radhakishan S. Damani	281930000	50.21	15/09/2016	(36000000)	Transfer by way of gift	281930000	39.41
	At the end of the Year	-	-		-	-	245930000	39.41
2	Mr. Gopikishan S. Damani	74980000	13.35	15/09/2016	(24000000)	Transfer by way of gift	74980000	8.17
	At the end of the Year	-	-		-	-	50980000	8.17
3	Mrs. Shrikantadevi R. Damani	22250000	3.97				22250000	
	At the end of the Year	-	-		-	-	22250000	3.57
4	Mrs. Kirandevi G. Damani	15000000	2.67				15000000	
	At the end of the Year	-	-		-	-	15000000	2.40
5	Bright Star Investments Pvt. Ltd.	88750000	15.80				88750000	
	At the end of the Year	-	-		-	-	88750000	14.22
6	Mr. Radhakishan S. Damani and Mrs. Shrikantadevi Damani (Holding shares on behalf of Royal Palm Pvt Beneficiary Trust)	6000000	1.05	15/09/2016	12000000	Receipt by way of gift	18000000	2.88
	At the end of the Year	-	-		-	-	18000000	2.88
7	Mr. Radhakishan S. Damani and Mrs. Shrikantadevi Damani (Holding shares on behalf of Bottle Palm Pvt Beneficiary Trust)	6000000	1.05	15/09/2016	12000000	Receipt by way of gift	18000000	2.88
	At the end of the Year	-	-		-	-	18000000	2.88
8	Mr. Radhakishan S. Damani and Mrs. Shrikantadevi Damani (Holding shares on behalf of Mountain Glory Private Beneficiary Trust)	6000000	1.05	15/09/2016	12000000	Receipt by way of gift	18000000	2.88
	At the end of the Year	-	-		-	-	18000000	2.88
9	Mr. Gopikishan S. Damani And Mr. Radhakishan S. Damani (Holding shares on behalf of Gulmohar Private Beneficiary Trust)	6000000	1.05	15/09/2016	12000000	Receipt by way of gift	18000000	2.88
	At the end of the Year	-	-		-	-	18000000	2.88
10	Mr. Gopikishan S. Damani And Mr. Radhakishan S. Damani (Holding shares on behalf of KarnikarPvt Beneficiary Trust)	6000000	1.05	15/09/2016	12000000	Receipt by way of gift	18000000	2.88
	At the end of the Year	-	-		-	-	18000000	2.88
11	Mrs. Rukmandevi Mohanlal Bagri (Promoter Group)	100000	0.01				100000	
	At the end of the Year	-	-		-	-	100000	0.01
12	Mrs. Chanda Chandak (Promoter Group)	10000	0.00				10000	
	At the end of the Year	-	-		-	-	10000	0.00

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

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year (01.04.2016)		Date	Net Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	HDFC Trustee Company Limited - HDFC Prudence Fund	0	-	During the financial year	8388736	Buy	8388736	1.34
2.	Nomura India Investment Fund Mother Fund	0	-	During the financial year	4164246	Buy	4164246	0.67
3.	ICICI Prudential Focused Bluechip Equity Fund	0	-	During the financial year	3339169	Buy	3339169	0.53
4.	Valiant Mauritius Partners Offshore Limited	0	-	During the financial year	2174724	Buy	2174724	0.35
5.	Valiant Mauritius Partners Limited	0	-	During the financial year	1632198	Buy	1632198	0.26
6.	New World Fund Inc	0	-	During the financial year	1389230	Buy	1389230	0.22
7.	Smallcap World Fund, Inc	0	-	During the financial year	1337800	Buy	1337800	0.21
8.	Manulife Pacific Asia Equity Fund	0	-	During the financial year	1278831	Buy	1278831	0.20
9.	SBI Magnum Equity Fund	0	-	During the financial year	931908	Buy	931908	0.14
10	The Nomura Trust And Banking Co., Ltd as the Trustee of Nomura India Stock Mother Fund	0	-	During the financial year	780066	Buy	780066	0.12

ANNEXURE VII

v. Shareholding of Directors and Key Managerial Personnel

Sr. No	For each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Ramesh Damani	100000	0.02	100000	
		There is no change in the shareholding			
	At the End of the year	-	-	100000	0.01
2.	Mr. Ignatius Navil Noronha	13700000	2.44	13700000	
		There is no change in the shareholding			
	At the End of the year	-	-	13700000	2.19
3.	Mr. Ramakant Baheti	3175000	0.57	3175000	
		There is no change in the shareholding			
	At the End of the year	-	-	3175000	0.50
4.	Mr. Elvin Machado	411400	0.073	411400	
		There is no change in the shareholding			
	At the End of the year	-	-	411400	0.06
5.	Mrs. Ashu Gupta	100000	0.02	100000	
		There is no change in the shareholding			
	At the End of the year	-	-	100000	0.01

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	(₹ in Lakhs) Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	112726.63	5000.00	-	117726.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2413.91	-	-	2413.91
Total (i+ii+iii)	115140.54	5000.00		120140.54
Change in Indebtedness during the financial year				
• Addition	60984.43	-	-	60984.43
• Reduction	(24293.66)	(5000.00)	-	(29293.66)
Net Change	36690.77	(5000.00)		31690.77
Indebtedness at the end of the financial year				
i) Principal Amount	148112.91	-	-	148112.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3718.40	-	-	3718.40
Total (i+ii+iii)	151831.31			151831.31

ANNEXURE VII**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			(₹ in Lakhs) Total Amount
		Mr. Ignatius Navil Noronha Managing Director	Mr. Ramakant Baheti Whole -Time Director	Mr. Elvin Machado Whole-Time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	335.47	75.00	65.68	476.15
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.18	-	-	0.18
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL	NIL
5	Others -Employers Contribution to Provident Fund	12.07	2.70	1.98	16.75
Total (A)		347.72	77.70	67.66	493.08
Ceiling as per the Act*					

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

B. Remuneration to Other Directors

Sr. No.	Particulars of remuneration	Name of Directors		(₹ in Lakhs) Total Amount
		Mr. Chandrashekhar Bhave	Mr. Ramesh Damani	
1	Independent Directors			
	(a) Fee for attending Board / Committee	4.60	5.75	10.35
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	Total (1)	4.60	5.75	10.35
2	Other Non-Executive Directors	Mrs. Manjri Chandak		
	(a) Fee for attending Board / Committee Meetings	5.75		5.75
	(b) Commission	-		-
	(c) Others, please specify*	-		-
	Total (2)	5.75		
	Total B = (1+2)	₹ 16.10		
Managerial Remuneration (Total A+B)		₹ 509.19		
Overall Ceiling as per the Act		₹ 8217 Lakhs (being 11% of Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)		

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			(₹ in Lakhs)
		CEO	Ashu Gupta, Company Secretary	CFO	
1	Gross salary			22.06	22.06
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-		-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-		-	
2	Stock Option			-	
3	Sweat Equity			-	
4	Commission	-		-	
	- as % of profit	-		-	
	- others, specify	-		-	
5	Others (Employer Contribution to Provident Fund)	-		0.86	0.86
	Specify				
	Total			22.92	-
					22.92

*CEO and CFO remuneration is already reported in Annexure VI A above as two directors are managing both the profiles additionally.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Section 149 (4)	As per the note*	₹ 50,000/-	Regional Director, Mumbai	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Section 149 (4)	As per the note*	₹ 50,000 each on all four Directors (except Independent Director)	Regional Director, Mumbai	-
C. Other Officers in Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	Section 149 (4)	As per the note*	₹ 50,000 on Company Secretary	Regional Director, Mumbai	-

*The Company, Directors and the Company Secretary, had suo-moto filed compounding application with the RoC for failing to appoint an Independent Director on the Board for the period between 1st April, 2015 and 16th May, 2016. The Regional Director, by order dated 3rd March, 2017, has compounded the matter.

For and on behalf of the Board
Avenue Supermarts Limited

Ignatius Navil Noronha
Managing Director
DIN: 01787989

Ramakant Baheti
Whole-time Director
DIN: 00246480

ANNEXURE VIII**DISCLOSURE PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014****(A) Conservation of energy**

Steps taken or impact on conservation of energy	<p>The operations of your Company are not energy intensive; however, adequate measures have been taken to reduce energy consumption. Some of them are:</p> <ul style="list-style-type: none"> ● Attempt to obtain green building certificate from IGBC (Indian Green Building Council) for its new projects. It is one which uses less water, optimises energy efficiency, conserves natural resources, generates less waste and provides healthier spaces for occupants, as compared to a conventional building. ● Implement Rainwater Harvesting for new projects of the Company. ● Use of China Mosaic (white color) as finishing material on Rooftops. It helps in reflecting heat back to the surrounding, thereby reducing heat ingress / heat island effect (lowering energy consumption for cooling purposes). ● Installation of Rooftop Solar Plants for the upcoming projects has been initiated, based on the feasibility of the project. The energy consumption from conventional sources has reduced by 10 to 30% as a result of the aforesaid initiative. ● Water-efficient fixtures installed at new stores, which consume less water (thereby reducing water wastage). These efficient products consume 30-40% lesser water than standard ones. ● Company uses AAC Blocks in Construction. AAC Blocks use fly ash (adds to recycled content and replaces use of virgin materials which have high embodied energy; due to extraction, processing and transportation). Fly ash is a waste product of thermal power plants. It also has a very good thermal resistance (thereby reducing heat ingress). AAC blocks qualify as a sustainable building product / material due to high recycled content present in it. ● Organic waste management system (wet waste tumbler / bin) is installed at some of the stores / site / project.
Steps taken by the company for utilising alternate sources of energy	<ul style="list-style-type: none"> ● All efforts are made to use more natural lights in office/store premises to optimise the consumption of energy. ● Efficient Building Envelope + Equipments / Appliances are being used. <p>Insulated Roof (thermocol insulation, china mosaic tiles; AAC blocks, which have good insulating property and lesser WWR i.e Window to Wall Ratio) have helped in reducing energy consumption and making the building more energy efficient. LED lights as well as energy efficient air-conditioning system along with rooftop solar installation have helped project achieve 20% - 30% better energy performance than conventional buildings.</p>
Capital investment on energy conservation equipment	₹ 19,711,039

(B) Technology absorption:

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

(C) Foreign exchange earnings and Outgo

	1 st April, 2016 to 31 st March, 2017 [Current F.Y.]	Amount in ₹ Lakhs 1 st April, 2015 to 31 st March, 2016 [Previous F.Y.]
Actual Foreign Exchange earnings		NIL
Actual Foreign Exchange outgo	27,992.67	19,213.98

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 six Directors, of which three are Executive Directors, one Non-executive Woman Director and two Independent Directors. 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 composition of the Board of Directors as on 31st March, 2017 is as follows:

Name of Directors	Category	No. of Other Directorships and Committee Chairmanship(s) / Membership(s)		
		*Directorships	#Chairmanships	#Memberships
Mr. Ramesh Damani (DIN: 00304347)	Chairman, Non-Executive, Independent Director	1	1	1
Mr. Chandrashekhar Bhave (DIN: 00059856)	Non-Executive, Independent Director	1	1	-
Mr. Ignatius Navil Noronha (DIN: 01787989)	Executive	1	-	1
Mr. Ramakant Baheti (DIN: 00246480)	Executive	1	1	-
Mr. Elvin Machado (DIN: 07206710)	Executive	-	-	-
Mrs. Manjri Chandak (DIN: 03503615)	Non-Executive, Non-Independent	3	1	1

Note :

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

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

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

None of the Directors on the Board serve as an Independent Director in more than seven listed companies. Further, there are no Directors on the Board of the Company, who serve as Whole-time Directors with any listed company.

No Director is a member of more than ten Committees or acts as the Chairman of more than five Committees across all companies in which he or she is a member.

Shareholding of Directors as on 31st March, 2017

Name of Directors	Category	No. of Equity Shares	% Shareholding
Mr. Ramesh Damani (DIN: 00304347)	Chairman, Non-Executive, Independent Director	100000	0.01
Mr. Chandrashekhar Bhave (DIN: 00059856)	Non-Executive, Independent Director	0	0.00
Mr. Ignatius Navil Noronha (DIN: 01787989)	Executive	13700000	2.19
Mr. Ramakant Baheti (DIN: 00246480)	Executive	3175000	0.50
Mr. Elvin Machado (DIN: 07206710)	Executive	411400	0.06
Mrs. Manjri Chandak (DIN: 03503615)	Non-Executive, Non-Independent	0	0.00

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.

During the Financial Year 2016-17, five Board meetings with the Directors were held. The dates were: 17th May, 2016, 23rd July, 2016, 24th September, 2016, 8th November, 2016 and 11th February, 2017.

The maximum gap between any two Board meetings was not more than one hundred and twenty days. The Sixteenth Annual General Meeting of the Shareholders of the Company was held on 16th September, 2016.

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 Meeting		Attendance for last AGM held on 16 th September, 2016
	Meetings held during the Director's tenure	Board Meetings attended	
Mr. Ramesh Damani	5	5	Yes
Mr. Chandrashekhar Bhave*	4	3	No
Mr. Ignatius Navil Noronha	5	5	Yes
Mr. Ramakant Baheti	5	5	Yes
Mr. Elvin Machado	5	5	Yes
Mrs. Manjri Chandak	5	5	Yes

*Mr. Chandrashekhar Bhave was appointed as a Director from 17th May, 2016

Separate Independent Directors Meetings

Pursuant to Schedule IV of the Act, a separate meeting of Independent Directors was held on 11th February, 2017. The agenda was to review the performance of Non-Independent Directors (including the Chairpersons), the entire Board and its Committees thereof, quality, quantity and timelines of the flow of information between the Management and the Board.

Familiarisation Programme

The Familiarisation Programme formulated by the Company for Independent Directors is available on the Company's website. The link for the same is- <http://www.dmartindia.com/investor-relationship>.

Committees of the Board of Directors

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

The Board of Directors of the Company has constituted the following Committees in terms of the provisions of the Companies Act, 2013 and Listing Regulations:

Committees as mandated under the Companies Act, 2013 and SEBI Listing Regulations, 2015	Other Committees
1. Audit Committee	IPO Committee
2. Stakeholders' Relationship Committee	Operations Committee
3. Nomination and Remuneration Committee	ESOP Committee
4. Corporate Social Responsibility Committee	
5. Risk Management Committee	

3. AUDIT COMMITTEE

The Audit Committee of the Company is duly constituted as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the provisions of Section 177 of the Companies Act, 2013. All the Members of the Audit Committee are financially literate and capable of analysing Financial Statements of the Company.

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

The Committee members may invite the Internal Auditor 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:

1. 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;
2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- a) 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;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement 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;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

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- 8. Approval or any subsequent modification of transactions of the Company with related parties;
 - 9. Scrutiny of inter-corporate loans and investments;
 - 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
 - 11. Evaluation of internal financial controls and risk management systems;
 - 12. Monitoring the end use of funds raised through public offers and related matters;
 - 13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - 14. 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;
 - 15. Discussion with internal auditors of any significant findings and follow up thereon;
 - 16. 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;
 - 17. 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;
 - 18. 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;
 - 19. To establish and review the functioning of the whistle blower mechanism;
 - 20. 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;
 - 21. Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority; and
 - 22. 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.
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Audit Committee Meetings

In FY17, five Audit Committee meetings were held. The dates were: 17th May, 2016, 23rd July, 2016, 24th September, 2016, 8th November, 2016 and 11th February, 2017. The details of composition of Audit Committee and attendance of each Committee Member are as follows:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
*Mr. Chandrashekhar Bhave	Chairman	4	3
Mr. Ramesh Damani	Member	5	5
Mr. Ramakant Baheti	Member	5	5
#Mrs. Manjri Chandak	Member	1	1

* Mr. Chandrashekhar Bhave was appointed as a Member w.e.f. 17th May, 2016

Mrs. Manjri Chandak was Member upto 17th May, 2016

4. NOMINATION AND REMUNERATION COMMITTEE

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

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

1. 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.

2. Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. 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.
4. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
5. Devise a policy on diversity of Board of Directors; and
6. 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.

Nomination and Remuneration Committee Meetings

During the financial year under review, three meetings of the Nomination and Remuneration Committee were held. The meetings were held on 17th May 2016, 23rd July, 2016 and 11th February, 2017. 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	2	2
Mr. Ramesh Damani	Member	3	3
Mrs. Manjri Chandak	Member	3	3
#Mr. Ramakant Baheti	Member	1	1

*Mr. Chandrashekhar Bhave was appointed as a Member w.e.f. 17th May, 2016

#Mr. Ramakant Baheti was Member upto 17th May, 2016

Mr. Chandrashekhar Bhave is the Chairman of the Nomination and Remuneration Committee. All the members of the Nomination and Remuneration Committee are Non- executive Directors.

Performance Evaluation Criteria for Independent Directors

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) All pecuniary relationship or transactions of the Non-Executive Directors

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company. The Non-Executive Directors of the Company are paid sitting fees, due to their responsibilities, and

professional expertise and knowledge they bring across. The details of sitting fees paid during the financial year are as under:

Names of Non-Executive Directors	Sitting Fee paid (For F.Y 2016-17) (In ₹)
Mr. Ramesh Damani	5.75 lakh
Mr. Chandrashekhar Bhave	4.60 lakh
Mrs. Manjri Chandak	5.75 lakh

Apart from sitting fees, the Board of Directors at their meeting held on 22nd July, 2017, subject to approval of shareholders, approved the proposal of payment of commission to the Independent Directors for a period of five years commencing from 1st April, 2017 within the overall limits prescribed under the Companies Act, 2013. Further, Member's approval will be sought at the ensuing Annual General Meeting of the Company.

Besides, the Company also provides reimbursement of accommodation and travelling expenses incurred for attending meetings of the Company.

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 2016-17 are as follows:

Name	Designation	Basic Salary	Company's contribution to provident fund	Gross Remuneration (₹)		
				Perquisites	Variable	Total
Mr. Ignatius Navil Noronha	Managing Director & CEO	33,547,200	1,207,699	18,000	-	34,772,899
Mr. Ramakant Baheti	Whole-time Director & CFO	7,500,000	270,000	-	-	7,770,000
Mr. Elvin Machado	Whole-time Director	5,128,344	197,941	-	1,440,000	6,766,285

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

Service Contract, Severance Fees And Notice Period

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

Mr. Ramakant Baheti was appointed as a Whole-time Director of the Company for a period of five years from 1st May, 2014 upto 30th April, 2019.

Mr. Elvin Machado was appointed as a Whole-time Director for a period of three years from 10th June, 2015 up to 9th June, 2018.

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	NA	₹ 299	2.5 years	

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

Ms. Ashu Gupta was appointed as the Compliance Officer of the Company pursuant to Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. 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.

2. 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.
3. 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.
4. 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.

Meetings

In FY17, the members of Stakeholders' Relationship Committee met once on 5th January, 2017. The Company Secretary of the Company acts as a Secretary to the Committee. The composition and attendance of each Member is as follows:

Name of the Members	Designation in the Committee	Particulars of attendance	
		No. of meetings held during the Member's tenure	No. of meetings attended by the Member
Mrs. Manjri Chandak	Chairperson	1	1
Mr. Ramakant Baheti	Member	1	1

Investor Complaints

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

Complaints as on 01.04.2016	Received during the year	Resolved during the year	Pending as on 31.03.2017
Nil	52	25	27*

*All the pending investors' complaints were resolved and closed subsequently in the month of April 2017.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

Scope of the CSR Committee:

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

- (d) To monitor the CSR activities undertaken by the Company, which shall be as per the CSR Policy, as projects or programmes or activities undertaken in India (either new or ongoing), excluding activities undertaken in its normal course of business;
- (e) To provide a report on CSR activities to the Board of the Company;
- (f) To be responsible for the implementation and monitoring of CSR Policy, this shall be in compliance with CSR objectives and Policy of the Company; and
- (g) To ensure the compliance of Section 135 read with Schedule VII of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and subsequent amendments thereto.

Corporate Social Responsibility Committee Meetings

During the financial year under review, three meetings of the Corporate Social Responsibility Committee were held on 17th May, 2016, 8th November, 2016 and 11th February, 2017. 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	1	1
Mr. Ramesh Damani	Member	3	3
Mrs. Manjri Chandak	Member	3	3
Mr. Ramakant Baheti	Member	3	3

*Mr. Chandrashekhar Bhave was appointed as a Member w.e.f. 8th November, 2016

8. RISK MANAGEMENT COMMITTEE

Pursuant to Regulation 21 of the SEBI Listing Regulations, it is mandatory for the top 100 listed companies to constitute, define the role and responsibility of Risk Management Committee. The top 100 companies are chosen based on market capitalisation as on immediately previous financial year. The Company's securities were admitted to dealing on the Stock Exchanges on 21st March, 2017.

The Board of Directors of the Company has constituted the Risk Management Committee at their meeting held on 6th May, 2017.

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

1. To assist the Board in the execution of its responsibility for the governance and to assist the Board in setting risk strategy policies, including annually agreeing risk tolerance and appetite levels, in liaison with the Management;
2. To review, assess the quality, integrity and effectiveness of the risk management plan and systems and ensure that the risk policies and strategies are effectively managed by management and that risks taken are within the agreed tolerance and appetite levels;
3. To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks. A framework and process to anticipate unpredictable risks should also be implemented;
4. To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained;
5. To review processes and procedures to ensure the effectiveness of internal systems of control, so that

decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;

6. To provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by management and the Audit Committee to the Board on all categories of identified risks facing the Company;
7. To assist the Board in its responsibility for disclosure in relation to risk management in the annual report, and acknowledgement that it is accountable for the risk management function; and
8. To review the risk bearing capacity of the Company in light of its reserves, insurance coverage, guarantee funds or other such financial structures.

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

The composition of the said Committee is as under:

Name of the Members	Designation in the Committee
Mr. Ignatius Navil Noronha	Chairman
Mr. Ramakant Baheti	Member
Mrs. Manjri Chandak	Member
Mr. Ashutosh Dhar	Member

9. IPO COMMITTEE

Terms of reference of the IPO Committee are as follows:

- (a) To decide on the size, timing, pricing and all the terms and conditions of the issue of the Equity Shares for the Issue, including the number of the Equity Shares to be issued in the Issue, price and any discount as allowed under applicable laws that may be fixed and

-
- determined in accordance with the applicable law, and to accept any amendments, modifications, variations or alterations thereto;
- (b) To appoint and enter into arrangements with the book running lead managers for the Issue ("BRLMs"), underwriters to the Issue, syndicate members to the Issue, brokers to the Issue, escrow collection bankers to the Issue, refund bankers to the Issue, registrar(s), legal advisors, advertising agency(ies) and any other agencies or persons or intermediaries to the Issue and to negotiate, finalise and amend the terms of their appointment, including but not limited to execution of the mandate letter with the BRLMs, negotiation, finalisation and execution and if required, amendment of the issue agreement with the BRLMs, etc.;
 - (c) To negotiate, finalise, settle, execute and deliver or arrange the delivery of the syndicate agreement, underwriting agreement, escrow agreement, agreements with the registrar to the Issue, escrow agreement and the advertising agency(ies) and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever with the registrar to the Issue, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/ intermediaries in connection with the Issue with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto;
 - (d) To finalise, settle, approve and adopt the DRHP, the RHP, the Prospectus, the Bid-cum-Application Form, the preliminary and final international wrap for the issue of Equity Shares and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities;
 - (e) To make applications, if necessary, to the Reserve Bank of India, the Foreign Investment Promotion Board or to any other statutory or governmental authorities in connection with the Issue and, wherever necessary, incorporate such modifications / amendments / alterations / corrections as may be required in the DRHP, the RHP and the Prospectus;
 - (f) To approve any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the SEBI Listing Regulations;
 - (g) To approve suitable policies as required under applicable laws, regulations and guidelines including the Companies Act 2013, SEBI Regulations and the SEBI Listing Regulations;
 - (h) To seek, if required, the consent of the lenders to the Company, parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in relation to the Issue;
 - (i) To open and operate bank account(s) of the Company in terms of the escrow agreement for handling of refunds for the Issue and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
 - (j) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
 - (k) To determine and finalise the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Issue (including issue price for anchor investors), approve the basis of allotment and confirm allocation/allotment of the equity shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs (to the extent applicable) and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Issue including any alteration, addition or making any variation in relation to the Issue;
 - (l) To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
 - (m) To make applications for listing of the shares in one or more recognised stock exchange(s) for listing of the equity shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);
 - (n) To do all such deeds and acts as may be required to dematerialise the equity shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar & transfer agents and such other agencies, as may be required in this connection and to authorise one or more officers of the Company to negotiate, finalise, settle, execute and deliver all or any of the aforesaid documents;

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- (o) To authorise and approve the incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Issue;
- (p) To authorise and approve notices, advertisements in relation to the Issue in consultation with the relevant intermediaries appointed for the Issue;
- (q) To withdraw the Issue or any document filed in relation to the Issue including DRHP and RHP at any stage, if deemed necessary;
- (r) To authorise any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the IPO;
- (s) To settle any question, difficulty or doubt that may arise in connection with the Issue including the issue and allotment of the Equity Shares as aforesaid and to further delegate the powers conferred hereunder subject to such restrictions and limitations as it may deem fit and in the interest of the Company and to the extent allowed under applicable laws and to do all such acts and deeds in connection therewith and incidental thereto, as the Committee may in its absolute discretion deem fit; and
- (t) To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

The composition of IPO Committee is given below:

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

10. OPERATIONS COMMITTEE

Terms of reference of the Operations Committee are as follows:

- To borrow loans for the operations of the Company upto the maximum limit of ₹ 1,800 cr in a financial year;
- To authorise such persons including Directors to approach banks/ financial institution and others to avail loans/credit facilities from time to time for operation of the Company and

to negotiate and finalise the terms and conditions thereof and to authorise any of the officials of the Company to execute necessary documents to avail the facilities from time to time;

- To authorise such officials of the Company to operate the loan accounts/ bank accounts of the Company from time to time;
- To invest idle funds of the Company in various securities of any corporate, government securities and such other instrument upto the limit of ₹ 300 crore;
- To avail / authorise such persons including directors to approach banks for the facility of merchant establishment services from time to time for efficient working of the Company;
- To allot securities of the Company as may be approved by the Board from time to time;
- To issue Commercial Paper for meeting working capital requirements of the Company for an amount not exceeding ₹ 200 crore with maturity upto one year from the date of issue and ;
- To authorise such officials of the Company to attend, appear, to declare, sign Vaklatnama, affirm and file Written Statements, replies, affidavits, applications, to file and exhibit the documents, to lead the evidence on behalf of the Company in matters related to the Company.

The Operations Committee comprises of:

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

11. 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 by the trust, 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 composition of ESOP Committee is as follows:

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

12. GENERAL BODY MEETINGS

Annual General Meetings

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

Financial Year	Date and Time	Venue	Special Resolutions
2015-16	Friday, 16 th September, 2016, at 11:30 A.M.	Rodas, Central Avenue, Hiranandani Gardens, Powai, Mumbai – 400 076	<ul style="list-style-type: none"> ● To mortgage, pledge, hypothecate or charge, in addition to the existing mortgages, hypothecation(s) and charges created up to an amount not exceeding ₹ 2000 Crore. ● Increase in the borrowing limits under section 180(1)(c) from existing ₹ 1800 Crores to ₹ 2000 Crore. Offer and issue Equity shares of ₹ 10/- each by way of Initial Public Offering. ● Adoption of new set of Articles of Association of the Company. ● Grant and issue of options and equity shares under Avenue Supermarkets Limited Employee Stock Option Scheme 2016. ● Appointment of Mr. Elvin Machado as Whole-time Director of the Company.
2014-15	Wednesday, 30 th September, 2015 at 11:30 A.M.	Rodas, Central Avenue, Hiranandani Gardens, Powai, Mumbai – 400 076	<ul style="list-style-type: none"> ● Appointment of Mr. Ramakant Baheti as Whole-time Director of the Company.
2013-14	Tuesday, 30 th September, 2014 at 10:30 A.M.	Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076	<ul style="list-style-type: none"> ● Approval u/s 188 for entering into transaction with Align Retail Trades Private Limited, wholly-owned subsidiary of the Company. ● Approval u/s 188 for entering into transaction with Avenue Food Plaza Private Limited, wholly-owned subsidiary of the Company.

Extraordinary General Meetings

Financial Year	Date and Time	Venue	Special Resolutions
2015-16	Thursday, 10 th March, 2016, at 11:00 A.M.	Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076	<ul style="list-style-type: none"> ● Increase in the borrowing limits under section 180(1)(c) of the Company from existing ₹ 1500 Crore to ₹ 1800 Crore. ● Issue of Non-Convertible Debentures upto ₹ 600 Crores on a Private Placement Basis. ● Re-appointment of Mr. Ignatius Navil Noronha as the Company's Managing Director .
2014-15	Monday, 16 th March, 2015 at 11:30 A.M.	Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076	<ul style="list-style-type: none"> ● Further issue of shares on preferential basis.
	Thursday, 5 th February, 2015 at 11:30 A.M.	Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076	<ul style="list-style-type: none"> ● Issue of Non-Convertible Debentures on a Private Placement Basis.
	Monday, 4 th August, 2014 at 11:30 A.M.	Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076	<ul style="list-style-type: none"> ● Increase in the borrowing limits under section 180(1)(c) of the Company upto ₹ 1500 Crore. ● To mortgage, pledge, hypothecate or charge, in addition to the existing mortgages, hypothecation(s) and charges created up to an amount not exceeding ₹ 1500 Crore. ● Issue of Non-Convertible Debentures on a Private Placement Basis.
2013-14	Tuesday, 10 th September, 2013 at 11:00 A.M.	Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076	<ul style="list-style-type: none"> ● Further issue of shares on preferential basis.
	Friday, 20 th December, 2013 at 11:30 A.M.	Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076	<ul style="list-style-type: none"> ● Further issue of shares on preferential basis. ● Approve and adopt Avenue Supermarts Limited Employee Stock Option (ESOP) Scheme, 2013.
	Tuesday, 18 th March, 2014 at 11:30 A.M.	Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076	<ul style="list-style-type: none"> ● Further issue of shares on Preferential basis.

Details of special resolutions passed through Postal Ballots

During the year 2016-17, no special resolution has been passed by conducting Postal Ballot. There is no special resolution proposed to be passed by way of Postal Ballot till the date of ensuing Annual General Meeting of the Company.

13. MEANS OF COMMUNICATION

Quarterly Results	The Company communicates to the Stock Exchanges about the quarterly financial results within 30 minutes after the Board approves the same. The results are usually published in (Economic Times) English newspaper having country-wide circulation and in (Maharashtra Times) Marathi newspaper. These results were also placed on the Company's website http://www.dmartindia.com .
Website	All the information and disclosures required to be disseminated as per Regulation 46(2) of the Listing Regulations and Companies Act, 2013 are being posted at Company's website: http://www.dmartindia.com
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

14. GENERAL SHAREHOLDER INFORMATION

AGM date, time and venue	Wednesday, 6 th September, 2017, 11.00 A.M. at Nehru Centre Auditorium, Discovery of India Building, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai- 400 018
Financial Year	April to March
Book Closure Date	Thursday, 31 st August, 2017 to Wednesday, 6 th September, 2017 (Both days inclusive).
Dividend Payment	NA
Registered Office	Anjaneya CHS Limited, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai - 400 076
Corporate Office	B-72/72A, Wagle Industrial Estate, Road No. 33, Kamgar Hospital Road, Thane - 400 604
Name and Address of Stock Exchanges where Company's securities are listed	ISIN: INE192R01011
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Trading Symbol – DMART	
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 540376	
Listing fees	The Annual Listing fees 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 Phone: +91-22-4080 7000 Fax: +91-22-6631 1776 Email: itsl@idbitrustee.com Website: www.idbitrustee.com
Vistra ITCL (India) Limited IL&FS Financial Centre, Plot No. C – 22, G Block, 7 th Floor, BandraKurla Complex, Bandra (East), Mumbai – 400051. Phone: +91-22-2659 3535 Fax: +91-22-2653 3297 Email: itcl@iifsindia.com Website: www.vistraitcl.com	
Company Secretary & Compliance Officer	Ms. Ashu Gupta

Market Price Data

The Company's equity shares are listed on recognised stock exchanges with effect from 21st March 2017. Hence, the market price data of the Company is available only for the period of 11 days i.e. from 21st March 2017 to 31st March 2017. The high and low prices and volumes of your Company's shares at BSE and NSE for the said period are as under:

Period	BSE		SENSEX		NSE		NIFTY	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)
From 21 st March 2017 to 31 st March 2017	657.50	558.75	29,687.64	29,137.48	657.45	558.30	9191.70	9019.30

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

Share Transfer System

Nomination Facility

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

Shares held in Electronic Form

Shareholders holding shares in electronic form may please

note that instructions regarding change of address, bank details, emails ids, 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 ids, nomination and power of attorney should be given to the Company's RTA i.e., Link Intime India Pvt. Ltd.

Distribution of Shareholding

Distribution of shareholding of shares of your Company as on 31st March, 2017 is as follows:

No. of Equity Shares Held	No. of Shareholders	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
1-500	119,115	96.8856	5,778,151	0.9259
501-1000	981	0.7979	781,501	0.1252
1001 – 2000	745	0.6060	1,093,529	0.1752
2001 – 3000	344	0.2798	874,998	0.1402
3001 – 4000	236	0.1920	813,561	0.1304
4001 – 5000	205	0.1667	958,323	0.1536
5001 – 10000	505	0.4108	3,976,969	0.6372
10001 and above	813	0.6613	609,807,454	97.7123
Total	122,944	100.00	624,084,486	100.00

The shareholding pattern of the Company and details of Top 10 Shareholders as on 31st March, 2017 are detailed in the Annexure to the Directors' Report

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. As on 31st March, 2017, total

585,979,631 Equity Shares representing 93.89% were in electronic form.

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 Dematted Shares as on 31st March, 2017

	Shares	% of Total Issued Capital
No. of Shares held in dematerialised form in CDSL	518,360,129	83.06%
No. of Shares held in dematerialised form in NSDL	67,619,502	10.83%
No. of Physical Shares	38,104,855	6.11%
Total	624,084,486	100%

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.

Plant Location

The Company does not conduct any manufacturing activities. The Company has multiple stores in 10 states and one union territory of India, including Maharashtra, Gujarat, Telangana, Andhra Pradesh, Karnataka, Madhya Pradesh, Chhattisgarh, NCR, Tamil Nadu, Rajasthan and Daman.

Address for Correspondence

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

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

B. Registered Office Address

Anjaneya CHS Limited, Orchard Avenue,
Opp. Hiranandani Foundation School,
Powai, Mumbai - 400 076
Ph: 022 40496500

Corporate Office Address

B-72/72A, Wagle Industrial Estate,
Road No. 33, Kamgar Hospital Road,
Thane - 400 604
Ph: 022 33400500
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.

15. 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 entered into agreements / contracts with its subsidiaries including wholly-owned subsidiary with the prior approval granted by the Audit Committee and Board of Directors at their respective meetings. All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and at an arm's length basis.

During the year, the Company had not entered 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

There are no such instances of non-compliance by the Company. No penalties, strictures were imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority on any matter related to Capital Markets except the payment of Rs. 3 lac in respect of suo-moto compounding application filed with ROC for failing to appoint an Independent Director on the Board for the period April 1, 2015 to May 16, 2016. The Regional Director, by order dated 3rd March, 2017 has compounded the matter.

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

The Company has formulated Whistle Blower/ Vigil Mechanism Policy, pursuant to which the Director(s) and employee(s) of the Company (including their representative bodies, if any) 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.

The Company did not receive any complaint from any Director and employee pursuant to Whistle Blower/ Vigil Mechanism Policy during the financial year 2016-17.

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. This Policy has been posted on the website of the Company at the Web link: <http://www.dmartindia.com/investor-relationship>

F. Code of Corporate Disclosure Practices

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, 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 which is available on the website of the Company at the Web link: <http://www.dmartindia.com/investor-relationship>

16. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

17. COMPLIANCE WITH DISCRETIONARY REQUIREMENTS

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

18. DISCLOSURE ON COMPLIANCE WITH COROPATE GOVERANCE 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2017.

Ignatius Navil Noronha

Managing Director

DIN: 01787989

Date: 30th April, 2017

Place: Thane

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

We hereby certify that

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2017 and to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent or illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we

have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- (d) We have indicated to the auditors and the Audit Committee
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Thank you.
Yours truly,
For Avenue Supermarts Limited

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

Place: Thane
Date: 6th May, 2017

For Avenue Supermarts Limited

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

Place: Thane
Date: 6th May, 2017

Certificate on Corporate Governance

To,
The Members of
Avenue Supermarts Limited

We have examined the compliance of conditions of Corporate Governance by Avenue Supermarts Limited (the Company) for the year ended 31st March, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations).

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 Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For and on Behalf of
Rathi & Associates
Company Secretaries

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

Place: Mumbai
Date: 22nd July, 2017

Independent Auditors' Report

To the Members of
 Avenue Supermarts Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of Avenue Supermarts Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to 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 specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. 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.

Opinion

8. 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 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, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at 1st April, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we

expressed an unmodified opinion dated 1st August, 2016 and 28th August, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 other comprehensive income), the Cash Flow Statement and the 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 Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note : 35

For Dalal & Shah LLP
Chartered Accountants
Firm Registration Number: 102021W/W100110

Thane
May 6, 2017

S Venkatesh
Partner
Membership Number: 037942

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Avenue Supermarts Limited on the standalone Ind AS financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of Avenue Supermarts Limited ("the Company") as of March 31, 2017 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

2. 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dalal & Shah LLP
Chartered Accountants
Firm Registration Number: 102021W/W100110

Thane
May 6, 2017

S Venkatesh
Partner
Membership Number: 037942

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Avenue Supermarts Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2017.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 2on property, plant and equipment to the standalone Ind AS financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of service tax, income tax, employees' state insurance, profession tax, labour welfare fund, value added tax, provident fund, works contract tax, agriculture produce market committee cess and entry tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, duty of customs and duty of excise which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax and value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount in Lakhs	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax	69.13	2008-2013	Commissioner
Gujarat Value Added Tax Act, 2003	Value added tax	57.19	2011-2012	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value added tax	28.22	2013-2014	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value added tax	14.19	2008-2009	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value added tax	13.59	2009-2010	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value added tax	41.02	2010-2011	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value added tax	9.12	2008-09	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value added tax	18.61	2011-12	Commercial Taxes Department
Gujarat Value Added Tax Act, 2003	Value added tax	39.11	2012-13	Commercial Taxes Department
Income Tax Act, 1961	Income tax	26.97	2007-08	Appellate Tribunal
Income Tax Act, 1961	Income tax	13.21	2010-11	Commissioner of Income Tax
Income Tax Act, 1961	Income tax	0.05	2015-16	Appellate Tribunal

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the money raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained, except a sum of ₹ 185,040.11 Lakhs raised from Initial Public Offering of Company's equity shares during the year which is pending utilization as at March 31, 2017 (Refer Note : 15 to standalone Ind AS financial statements).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made a preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Dalal & Shah LLP
Chartered Accountants
Firm Registration Number: 102021W/W100110

Thane
May 6, 2017

S Venkatesh
Partner
Membership Number: 037942

Standalone Balance Sheet

	Note	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
I ASSETS				(₹ in Lakhs)
1 Non-current assets				
(a) Property, plant and equipment	2	251,518.06	206,126.63	150,567.40
(b) Capital work - in - progress		15,289.36	8,168.70	9,159.04
(c) Other intangible assets	3	635.08	417.68	399.21
(d) Investment properties	4	2,737.16	1,365.09	1,455.65
(e) Investments in subsidiaries and associate	5	3,661.74	1,599.61	210.00
(f) Financial assets				
(i) Other financial assets	6	4,535.48	2,876.00	2,070.44
(g) Current tax assets (net)		5.74	173.16	265.15
(h) Other non - current assets	7	5,021.53	8,432.86	6,420.51
2 Current assets				
(a) Inventories	8	93,315.99	66,020.05	52,991.67
(b) Financial assets				
(i) Trade receivables	9	2,099.79	837.74	707.26
(ii) Cash and cash equivalents	10	3,025.92	3,197.36	3,526.95
(iii) Bank Balances other than cash and cash equivalents	11	185,105.42	61.33	59.28
(iv) Loans	12	105.13	93.41	82.01
(v) Other financial assets	13	7,375.90	4,006.68	2,866.17
(c) Other current assets	14	5,782.99	4,777.00	4,047.17
Total Assets		580,215.29	308,153.30	234,827.91
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	15	62,408.45	56,154.27	56,154.27
(b) Other equity		321,297.88	95,032.21	63,213.15
2 Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	98,092.44	90,846.87	71,377.52
(ii) Other non - current liabilities	17	138.35	1,805.68	1,844.71
(b) Deferred tax liabilities (net)	18	5,174.50	4,009.30	3,060.31
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	12,266.04	11,349.11	2,693.57
(ii) Trade payables	20	26,675.52	20,046.96	13,703.94
(iii) Other financial liabilities	21	49,283.28	25,352.15	19,548.01
(b) Short term provisions	22	816.43	537.64	415.60
(c) Liability for current tax (Net)		841.77	1,082.15	1,324.94
(d) Other current liabilities	23	3,220.63	1,936.96	1,491.89
Total Equity and Liabilities		580,215.29	308,153.30	234,827.91

General Information & Significant Accounting Policies

1

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of Board of Directors

For Dalal & Shah LLP

Firm Registration Number 102021W/ W100110
 Chartered Accountants

Ignatius Navil Noronha

Managing Director

S. Venkatesh

Partner
 Membership No.037942

Ramakant Baheti

Chief Financial Officer and Executive Director

Ashu Gupta

Company Secretary

Statement of Standalone Profit and Loss

	Note	Year ended 31st March, 2017	(₹ in Lakhs) Year ended 31st March, 2016
INCOME			
Revenue from Operations	24	1,188,111.90	857,517.64
Other Income	25	3,128.86	2,005.02
		1,191,240.76	859,522.66
EXPENSES			
Purchase of Stock-in-trade		1,036,895.42	744,417.23
Change in Inventory of Stock-in-trade	26	(27,295.94)	(13,028.38)
Employment Benefit Expense	27	18,947.32	14,621.88
Finance Costs	28	12,180.39	9,123.45
Depreciation and Amortisation Expense	29	12,602.09	9,709.64
Other Expenses	30	63,200.21	45,843.67
		1,116,529.49	810,687.49
Profit before tax		74,711.27	48,835.17
Tax Expense			
Current tax	31	25,124.37	16,081.81
Deferred tax charge/(credit)		1,165.20	948.99
Tax in respect of earlier years		157.85	13.21
Profit for the year		48,263.85	31,791.16
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans	45	119.65	42.67
Less : Income tax relating to above		(41.41)	(14.77)
Total Comprehensive Income for the year		48,342.09	31,819.06
Earnings per equity share of ₹ 10 each: (in ₹)	41		
Basic		8.56	5.66
Diluted		8.55	5.66

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

For Dalal & Shah LLP

Firm Registration Number 102021W/ W100110
Chartered Accountants

Ignatius Navil Noronha
Managing Director

S. Venkatesh

Partner
Membership No.037942

Ramakant Baheti
Chief Financial Officer and Executive Director

Ashu Gupta
Company Secretary

Thane, 6th May, 2017

Thane, 6th May, 2017

Statement of Standalone Cash Flows

	Year ended 31 st March, 2017	(₹ In Lakhs) Year ended 31 st March, 2016
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	74,711.27	48,835.17
Adjustments for:		
Depreciation and amortization expenses	12,602.09	9,709.64
Finance cost	12,180.39	9,123.45
Dividend income	(1.90)	-
Interest income	(721.68)	(256.25)
Profit on sale of investments	(755.56)	(251.75)
Remeasurements of net defined benefit plans	119.65	42.67
Expense on Employee Stock Option Scheme	114.27	-
Rent Income	(1,614.00)	(1,399.22)
(Profit)/ loss on sale of fixed assets (net)	84.81	78.11
	22,008.07	17,046.65
Operating profit before working capital changes	96,719.34	65,881.82
Adjustments for:		
Increase/(decrease) in trade payables	6,628.56	6,343.02
Increase/(decrease) in provisions	278.79	122.04
Increase/(decrease) in other current financial liabilities	1,444.56	1,915.44
Increase/(decrease) in other current liabilities	1,283.67	445.07
Increase/(decrease) in other non current Liabilities	(1,667.33)	(39.03)
(Increase)/decrease in trade receivables	(1,262.05)	(130.48)
(Increase)/decrease in inventories	(27,295.94)	(13,028.38)
(Increase)/decrease in other non current financial assets	(1,659.48)	(805.56)
(Increase)/decrease in Bank Balances other than cash and cash equivalents	(3.98)	(2.05)
(Increase)/decrease in current loans	(11.72)	(11.40)
(Increase)/decrease in other current assets	(1,005.99)	(729.83)
(Increase)/decrease in other current financial assets	(3,169.67)	(1,174.49)
	(26,440.58)	(7,095.65)
Cash (used in) / from operations	70,278.76	58,786.17
Direct taxes paid (net of refunds)	25,396.59	16,260.59
Net cash (used in) / from operations	44,882.17	42,525.58
CASH FLOW FROM INVESTING ACTIVITIES:		
Add: Inflows from investing activities		
Sale proceeds of property, plant and equipment	963.59	199.08
Interest Income	522.13	290.23
Dividend received from others	1.90	-
Profit on sale of investments	755.56	251.75
Rent Income Received	1,614.00	1,399.22
	3,857.18	2,140.28
Less: Outflows from investing activities		
Purchase of property, plant and equipment/ intangible assets/investment properties	(64,218.15)	(63,250.16)
IPO Proceeds in Bank Pending Utilisation	(185,040.11)	-
Investment in associate	(2,062.13)	(1,389.61)
	(251,320.39)	(64,639.77)
Net cash (used in) / from investing activities	(247,463.21)	(62,499.49)

Statement of Standalone Cash Flows

	Year ended 31 st March, 2017	Year ended 31 st March, 2016	(₹ in Lakhs)
CASH FLOW FROM FINANCING ACTIVITIES:			
Add: Inflows from financing activities			
Proceeds from issue of shares (net of IPO Expenses)	184,061.55	-	-
Proceeds from long term borrowings	20,000.00	-	-
Proceeds from Non convertible debentures	25,000.00	35,000.00	35,000.00
Proceeds from Commercial papers	-	5,000.00	5,000.00
Proceeds of short term borrowings (net)	5,916.93	3,655.54	3,655.54
	234,978.48	43,655.54	
Less: Outflows from financing activities			
Repayment of long term borrowings	(15,530.65)	(14,680.12)	-
Repayment of commercial papers	(5,000.00)	-	-
Interest paid	(12,018.66)	(9,327.34)	(9,327.34)
	(32,549.31)	(24,007.46)	
Cash (used in) / from financing activities	202,429.17	19,648.08	
Net Increase/(Decrease) In Cash And Bank Balances	(151.87)	(325.83)	
Cash and cash equivalents at beginning of the year	3,177.60	3,503.43	
Cash and cash equivalents at end of the year	3,025.73	3,177.60	
Cash and cash equivalents as per above Comprises of the following			
Cash and cash equivalents (Refer Note : 10)	3,025.92	3,197.36	
Bank Overdrawn (Refer Note : 21)	0.19	19.76	
Balance as per Statement of cash flows	3,025.73	3,177.60	

The accompanying notes are an integral part of these financial statements

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

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

For Dalal & Shah LLP

Ignatius Navil Noronha

Firm Registration Number 102021W/ W100110
Chartered Accountants

Managing Director

S. Venkatesh

Ramakant Baheti

Partner

Chief Financial Officer and Executive Director

Membership No.037942

Ashu Gupta

Company Secretary

Thane, 6th May, 2017

Thane, 6th May, 2017

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

	Note	Amount in Lakhs
Equity Share of ₹ 10 each issued, subscribed and fully paid	15	
At 1 st April, 2015		56,154.27
At 31 st March 2016		56,154.27
Issue of Share Capital		6,254.18
At 31 st March 2017		62,408.45

OTHER EQUITY

Note	Reserves and Surplus					(₹ in Lakhs)
	Securities Premium Reserve	Share Options Outstanding Account	Debenture Redemption Reserve	Retained Earnings	Total	
Balance as at 1 st April, 2015	3,169.46	-	568.00	59,475.69	63,213.15	
Profit for the year	-	-	-	31,791.16	31,791.16	
Other Comprehensive Income for the year				27.90	27.90	
Transfer to debenture redemption reserve	-	-	2,264.00	(2,264.00)	-	
Balance as at 31 st March, 2016	3,169.46	-	2,832.00	89,030.75	95,032.21	
Profit for the year	-	-	-	48,263.85	48,263.85	
Other Comprehensive Income for the year	-	-	-	78.24	78.24	
Initial public offering - Securities Premium received	15	180,745.82	-	-	-	180,745.82
Expenses relating to IPO	15	(2,938.45)	-	-	-	(2,938.45)
Employee stock option	44	-	116.21	-	-	116.21
Transfer to debenture redemption reserve		-	-	9,640.00	(9,640.00)	-
Balance as at 31 st March, 2017	180,976.83	116.21	12,472.00	127,732.84	321,297.88	

Nature and purpose of reserve

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

Share options outstanding account

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

Debenture redemption reserve

The Company is required to create a debenture redemption reserves out of profit which is available for the purpose of redemption of debentures.

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

For Dalal & Shah LLP

Ignatius Navil Noronha

Firm Registration Number 102021W/ W100110
 Chartered Accountants

Managing Director

S. Venkatesh

Ramakant Baheti

Partner

Chief Financial Officer and Executive Director

Membership No.037942

Ashu Gupta
 Company Secretary

Notes

to the Standalone Financial Statements

1 GENERAL INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

I. 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 Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

II. Significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

These 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.

These financial statements for the year ended 31st March, 2017 are the first financials with comparatives prepared under Ind AS. For all previous periods including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the date of transition to Ind AS.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;
- 3) share based payments.

(iii) Current non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current- noncurrent classification of assets and liabilities.

(iv) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

(b) Use of estimates and judgments

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known / materialised.

(c) Investment in Subsidiaries and associate

Investments in subsidiaries and associate are accounted at cost in accordance with Ind AS 27.

(d) Property, plant and equipment

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 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.

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Transition to Ind AS

On transition to Ind AS, the Company 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.

Depreciation on property, plant and equipment

Depreciation is provided to the extent of depreciable amount on written down value method over the useful life of asset as assessed by the management and the same is similar to the useful lives as prescribed in Part-C of Schedule II to the Companies Act, 2013. Depreciation is charged on pro-rata basis for asset purchased / sold during the year.

Estimated useful life of assets are as follows:

Building - RCC - 60 Years, Non RCC 30 years

Plant & Equipment - 15 years

Computers - 3 years for end users / 6 years for servers and network

Furniture and Fixtures - 10 years

Vehicles - 8 years

Office Equipment - 5 years

Electrical Installations - 10 years

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

(e) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a written down value basis over the economic useful life estimated by the management

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Depreciation on intangible assets

Depreciation 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 life 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.

Estimated useful life of assets are as follows:

Computer Software - 6 years

Trademarks - 5 - 10 years

(f) 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 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.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its investment properties recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(g) Impairment of assets

The carrying amounts of other assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(h) Lease

As a lessee

Lease of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance lease. Finance lease are capitalized at the lease's inception at fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowing or other

Notes

to the Standalone Financial Statements

financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Further assets capitalised under finance lease are depreciated over estimated useful lives, which are similar to that of Property, Plant & Equipment. Leasehold land is depreciated over the period of the lease.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

(i) Cash and Cash Equivalents

For the purpose of presentation in the financial statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institution, other short term, highly liquid investments with original maturities of three month or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value, and the bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(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 all costs of purchase 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) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the Statement of Profit and Loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

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

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for

Notes

to the Standalone Financial Statements

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:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

-Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

-Fair value through profit and loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. A gain or loss on a debt investment that is subsequently measured at fair value through Statement of Profit and Loss and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented net in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

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 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.

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to the Standalone Financial Statements

(m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the Company or the counterparty.

(n) 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.

(o) Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initiation is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash transferred or liabilities assumed, is recognised in the Statement of Profit and Loss.

Borrowings are classified as current liabilities unless the 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.

(p) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying

assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

(q) 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 will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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 interest expense.

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.

(r) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and the revenue can be reliably measured and no significant uncertainty exists as to its realization or collection. Amount disclosed as revenue are net of returns, trade allowances, value added taxes and amount collected on behalf of third parties

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

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to the Standalone Financial Statements

rewards have been transferred and no effective ownership control is retained. It is the Company's policy to sell its products to the end customers with a right of return within 7 days. Accumulated experience is used to estimate and provide for such returns at the time of sales.

The property in the merchandise of third party consignment stock does not pass to the Company. However since, the sale of such stock forms a part of the activities of the Company, the gross sales values and cost of the merchandise are disclosed separately and form part of Revenue in the Statement of Profit and Loss.

Dividend

Dividend Income is recognised when right to receive the payment is established by the balance sheet date.

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.

(s) 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.

(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

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 ₹ 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.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Notes

to the Standalone Financial Statements

Share based payment

Share-based compensation benefits are provided to employees. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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 employment benefit expense.

(t) Foreign currency transactions

(a) Functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The Financial statements are presented in ₹, which is functional and presentational currency.

(b) Transaction and balances :

Foreign currency transactions are translated into functional currency using the exchange rate at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit and loss.

(u) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(v) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:
 - the profit attributable to owners of the Company
 - by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 41)

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Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(w) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(x) Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

(y) Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. The areas involving critical estimates or judgement are: Estimation of useful life of asset - Refer Note : 2, 3 and 4"

(z) 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, and makes strategic decisions.

(za) Dividends

Provision is made for the amount of any dividend declared being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

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2 PROPERTY, PLANT AND EQUIPMENT

	Land Freehold	Leasehold Leasehold	Buildings Leasehold Improvement	Leasehold Improvement	Plant & equipment	Computers	Furniture & fixtures	Vehicles	Office equipment	Electrical Installations	Total	(₹ in Lakhs)
Gross Carrying amount												
Deemed cost as at 1 st April, 2015	34,621.59	22,462.98	80,115.30	332.30	3,068.40	973.71	4,061.10	337.13	535.83	4,069.06	150,567.40	
Additions	12,254.79	8,300.65	33,079.00	1,138.37	2,450.81	1,157.07	3,315.00	229.61	568.78	2,885.50	65,379.58	
Disposals/adjustment	-	-	7.27	0.17	128.67	29.49	49.03	16.83	11.46	44.32	285.24	
Balance as at 31st March, 2016	46,876.38	30,763.63	113,187.03	1,470.50	5,392.54	2,101.29	7,327.07	549.91	1,093.15	6,900.24	215,661.74	
Additions	19,886.65	6,353.68	20,752.94	982.49	3,037.15	1,140.58	3,755.46	78.91	569.43	2,541.58	58,958.87	
Disposals/adjustment	-	-	28.69	-	359.71	237.30	363.09	11.11	60.75	80.36	1,081.02	
Balance as at 31st March, 2017	66,563.03	37,117.31	133,911.28	2,452.99	8,069.98	3,004.57	10,779.43	617.70	1,561.82	9,361.46	273,439.57	
Accumulated Depreciation												
Balance as at 1 st April, 2015	-	-	-	-	-	-	-	-	-	-	-	
Additions	369.70	4,375.38	66.01	725.56	753.56	1,378.54	144.39	324.72	1,420.88	9,558.43		
Disposals/adjustment	-	0.12	-	7.93	1.17	6.50	2.60	3.73	1.70	23.75		
Balance as at 31st March, 2016	369.70	4,375.26	66.01	717.62	752.39	1,372.04	142.22	320.99	1,418.88	9,534.68		
Additions	424.54	5,742.11	245.98	1,039.30	839.49	1,947.79	140.34	414.33	1,628.87	12,422.75		
Disposals/adjustment	-	-	1.75	0.01	12.98	3.90	8.06	0.43	5.06	4.16	36.35	
Balance as at 31st March, 2017	794.24	10,115.62	311.98	1,743.94	1,587.98	3,311.77	282.13	730.26	3,043.59	21,921.51		
Net carrying amount												
Balance as at 1 st April, 2015	34,621.59	22,462.98	80,115.30	332.30	3,068.40	973.71	4,061.10	337.13	535.83	4,069.06	150,567.40	
Balance as at 31 st March, 2016	46,876.38	30,393.93	108,811.77	1,404.49	4,674.92	1,348.90	5,955.03	407.69	772.16	5,481.36	206,126.63	
Balance as at 31 st March, 2017	66,563.03	36,323.07	123,795.66	2,141.01	6,326.04	1,416.59	7,467.66	335.57	831.56	6,317.87	251,518.06	

Notes

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- Note:
 1 Leasehold Land includes following amounts paid as premium under Built Operate and Transfer (BOT) arrangement

	Land			Building constructed on the Land		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Gross Block	1,519.37	1,519.37	1,519.37	4,524.01	4,342.03	1,517.86
Net Block	1,353.22	1,368.55	1,383.89	3,862.22	3,872.36	1,101.73

- 2 Land and Building value includes ₹ 7,480.54 Lakhs (31st March, 2016 : ₹ 15,802.85 Lakhs, 1st April, 2015 : ₹ 6,335.54 Lakhs) being property purchased, for which mutation is pending.
 3 On transition to Ind AS, the Company 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 Property, Plant and Equipment.

The values as per previous GAAP as at 1st April, 2015 are as under:

	Land			Building			Plant & equipment			Furniture & fixtures	Vehicles	Office equipment	Electrical installations	Total
	Freehold	Leasehold	Buildings	Leasehold	Improvement	Computers	Plant & equipment	Computers	Fixtures					(₹ in Lakhs)
Gross Block	34,621.59	24,028.75	94,131.03	510.34	4,787.90	2,982.09	9,010.24	615.36	1,225.02	8,105.00	180,017.32			
Less : Accumulated Depreciation	-	1,565.77	14,015.73	178.04	1,779.50	2,008.38	4,949.14	278.23	689.19	4,045.94	29,449.92			
Deemed cost as at 1st April, 2015	34,621.59	22,462.98	80,115.30	332.30	3,068.40	973.71	4,061.10	337.13	535.83	4,059.06	150,567.40			

- 4 Freehold Land includes ₹ 1,065.35 Lakhs being the value of a land purchased by the Company at Nagpur from Pramod Walmandhare and others (the "Petitioners"). Petitioners have filed a special leave petition before the Supreme Court against Nagpur Improvement Trust and others (the "Respondents") challenging the order passed by the Bombay High Court and other regulatory authorities by virtue of which the ownership of the Petitioners of a property at Nagpur (the "Property") was set aside by the Bombay High Court. Various applications and petitions had been filed before the regulatory authorities and a writ petition had been filed before the Bombay High Court with respect to various claims made by the Respondents including incorrect identification of the Petitioner in the name of the Respondents when the possession of the Property was allegedly with the Petitioner. Title deed for the said property is held in the name of the company.

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3 OTHER INTANGIBLE ASSETS

	(₹ in Lakhs)	Computer Software	Trademarks	Total
Gross carrying amount				
Deemed cost as at 1 st April, 2015	398.35	0.86	399.21	
Additions	193.54	1.00	194.54	
Disposals	16.09	-	16.09	
Balance as at 31st March, 2016	575.80	1.86	577.66	
Additions	430.89	-	430.89	
Disposals	8.15	-	8.15	
Balance as at 31st March, 2017	998.54	1.86	1,000.40	
Accumulated amortisation				
Balance as at 1 st April, 2015	-	-	-	
Additions	159.78	0.59	160.37	
Disposals	0.39	-	0.39	
Balance as at 31st March, 2016	159.39	0.59	159.98	
Additions	209.34	0.42	209.76	
Disposals	4.42	-	4.42	
Balance as at 31st March, 2017	364.31	1.01	365.32	
Net carrying amount				
Balance as at 1 st April, 2015	398.35	0.86	399.21	
Balance as at 31 st March, 2016	416.41	1.27	417.68	
Balance as at 31st March, 2017	634.23	0.85	635.08	

On transition to Ind As, the Company has elected to continue with the carrying value of all its intangible assets recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of other intangible assets.

The values as per previous GAAP as at 1st April, 2015 are as under:

	(₹ in Lakhs)	Computer Software	Trademarks	Total
Gross Block				
Less : Accumulated Depreciation	768.47	0.71	769.18	
Deemed cost as at 1 st April, 2015	398.35	0.86	399.21	

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4 INVESTMENT PROPERTIES

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	(₹ in Lakhs)
Gross Carrying amount				
Opening gross carrying amount / Deemed cost	1,429.97	1,455.65	1,455.65	
Additions	1,459.95	-	-	
Disposals	-	(25.68)	-	
Closing Gross carrying amount	2,889.92	1,429.97	1,455.65	
Accumulated depreciation				
Opening accumulated depreciation	(64.88)	-	-	
Additions	(87.88)	(64.88)	-	
Disposals	-	-	-	
Closing accumulated depreciation	(152.76)	(64.88)	-	
Net carrying amount	2,737.16	1,365.09	1,455.65	
(i) Amounts recognised in profit or loss for investment properties				
Rental income including contingent rent of ₹ 3.19 Lakhs (Previous year ₹ 3.00 Lakhs)	1,335.55	1,268.20	1,251.86	
Direct operating expenses from property that generated rental income	149.17	110.49	130.36	
Direct operating expenses from property that did not generate rental income	-	-	-	
Income from investment properties before depreciation	1,186.38	1,157.71	1,121.50	
Depreciation	87.88	64.88	68.19	
Income from investment properties	1,098.50	1,092.83	1,053.31	
(ii) Leasing arrangements				
Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:				
Within one year	1,210.05	1,214.62	1,286.13	
Later than one year but not later than 5 years	752.37	1,337.86	1,797.00	
Later than 5 years	-	36.12	259.04	
	1,962.42	2,588.61	3,342.17	
(iii) Fair value				
Investment properties	18,460.00	12,392.00	11,151.00	

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.

- (iv)** On transition to Ind AS, the Company has elected to continue with the carrying value of all its Investment properties recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of Investment properties.

The values as per previous GAAP as at 1st April, 2015 are as under:

	(₹ in Lakhs)
Gross Block	1,886.69
Less : Accumulated Depreciation	431.04
Deemed cost as at 1st April, 2015	1,455.65

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5 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A. Investment in subsidiaries			
Unquoted			
i. Equity instruments at cost			(₹ in Lakhs)
20,00,000 shares of Align Retail Trades Private Limited (Equity Shares of ₹ 10 each)	200.00	200.00	200.00
10,000 shares of Avenue Food Plaza Private Limited (Equity Shares of ₹ 10 each)	1.00	1.00	1.00
90,000 shares of Nahar Seth Jogani Developers Private Limited (Equity Shares of ₹ 10 each)	9.00	9.00	9.00
Total (A)	210.00	210.00	210.00
B. Investment in associate			
Unquoted			
Equity instruments at cost			(₹ in Lakhs)
3,45,17,432 (31 st March, 2016 : 1,38,96,075) shares of Avenue E-commerce Limited (Equity shares of ₹ 10/- each)	3,451.74	1,389.61	-
Total (B)	3,451.74	1,389.61	-
Total (A+B)	3,661.74	1,599.61	210.00
Aggregate amount of unquoted investments	3,661.74	1,599.61	210.00
Aggregate amount of impairment in the value of investments	-	-	-

6 OTHER NON-CURRENT FINANCIAL ASSETS

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Rent deposits given			
- Related parties (Refer Note : 32)	836.94	836.94	831.94
- Others	1,572.97	1,002.75	533.48
Other deposits	2,047.03	1,006.35	684.35
Margin money deposits with banks (Held as lien by bank against bank guarantees)	68.25	29.34	20.10
Long term deposits with banks with maturity period more than 12 months (Provided as security for various regulatory registrations)	10.29	0.62	0.57
Total	4,535.48	2,876.00	2,070.44

7 OTHER NON-CURRENT ASSETS

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Capital advances			
	5,021.53	8,432.86	6,420.51
Total	5,021.53	8,432.86	6,420.51

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8 INVENTORIES

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	(₹ in Lakhs)
Stock-in-trade	93,315.99	66,020.05	52,991.67	
Total	93,315.99	66,020.05	52,991.67	

9 TRADE RECEIVABLES

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	(₹ in Lakhs)
Considered good				
Unsecured				
Related parties (Refer Note : 32)	75.92	-	-	
Other than related parties	2,023.87	837.74	707.26	
Total	2,099.79	837.74	707.26	

10 CASH AND CASH EQUIVALENTS

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	(₹ in Lakhs)
Cash on hand (Refer Note : 35)	910.11	751.94	1,269.88	
Balances with Banks - In current accounts	2,098.58	2,441.50	2,255.66	
Remittance in transit	17.23	3.92	1.41	
Total	3,025.92	3,197.36	3,526.95	

Cash and cash equivalents considered for cash flows

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	(₹ in Lakhs)
Total Cash and cash equivalents	3,025.92	3,197.36	3,526.95	
Less: Overdrawn bank balances (Refer Note: 21)	(0.19)	(19.76)	(23.52)	
Cash and Cash Equivalents for cash flow purpose	3,025.73	3,177.60	3,503.43	

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	(₹ in Lakhs)
Margin money deposits with Bank (Held as lien by bank against guarantees)	65.25	61.33	59.28	
Deposits with Bank	0.06	-	-	
IPO proceeds pending utilisation in (Refer Note : 15):				
Current accounts (Escrow)	1,440.11	-	-	
Fixed deposits	183,600.00	-	-	
Total	185,105.42	61.33	59.28	

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12 CURRENT LOANS

	As at 31 st March, 2017	As at 31 st March, 2016	(₹ in Lakhs) As at 1 st April, 2015
(Unsecured, considered good)			
Loans to employees	105.13	93.41	82.01
Total	105.13	93.41	82.01

13 OTHER CURRENT FINANCIAL ASSETS

	As at 31 st March, 2017	As at 31 st March, 2016	(₹ in Lakhs) As at 1 st April, 2015
Advances recoverable in cash or in kind or in value to be received			
- Related parties (Refer Note : 32)	159.56	18.21	-
- Others	6,795.27	3,766.95	2,610.67
Interest receivable			
- Related parties (Refer Note : 32)	64.21	177.69	220.93
- Other deposits	356.86	43.83	34.57
Total	7,375.90	4,006.68	2,866.17

14 OTHER CURRENT ASSETS

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Prepaid expenses	407.46	519.23	278.07	
Advances to suppliers	3,891.91	2,593.11	1,679.77	
Advances to subsidiary companies (Refer Note : 32)*	1,171.75	1,452.61	1,928.12	
Balance with Government Authorities	311.87	180.25	143.68	
Advances recoverable in cash or in kind or in value to be received	-	31.80	17.53	
Total	5,782.99	4,777.00	4,047.17	

* Maximum amount outstanding during the year

1.452.61 1.928.12 1.928.12

* Shares held by Loanee in the Company

1,482.01 1,020.12 1,020.12

Number of shares outstanding at

Maximum number of shares held during the year

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15 SHARE CAPITAL

	As at 31st March, 2017	As at 31st March, 2016	(₹ in Lakhs) As at 1st April, 2015
A. Authorised			
75,00,00,000 [31st March, 2016: 75,00,00,000 and 1st April, 2015: 75,00,00,000] Equity Shares of ₹ 10 each	75,000.00	75,000.00	75,000.00
Issued, subscribed and fully paid up			
62,40,84,486 [31st March, 2016: 56,15,42,680 and 1st April, 2015: 56,15,42,680] Equity Shares of ₹ 10 each	62,408.45	56,154.27	56,154.27
Total	62,408.45	56,154.27	56,154.27

Notes:

a) Reconciliation of number of shares

Balance at the beginning of the year

No. of shares	56,15,42,680	56,15,42,680
Amount in ₹ Lakhs	56,154.27	56,154.27

Issued, subscribed and paid up during the year *

No. of shares	6,25,41,806	-
Amount in ₹ Lakhs	6,254.18	-

Balance at the end of the year

No. of shares	62,40,84,486	56,15,42,680
Amount in ₹ Lakhs	62,408.45	56,154.27

*IPO - Fresh issue of shares

The Company has completed the Initial Public offering (IPO) of fresh issue of 6,25,41,806 equity shares of ₹ 10 each at an issue price of ₹ 299 per share. The equity shares of the Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. 21st March, 2017.

Utilisation of IPO Proceeds are as follows:-

Particulars	Planned as per Prospectus	Utilisation upto 31st March, 2017	(₹ in Lakhs) Balance as at 31st March, 2017
Towards repayment / prepayment of NCDs / Term Loans	108,000.00	-	108,000.00
Construction and Purchase of fit outs for new stores	36,660.00	-	36,660.00
Towards General Corporate purpose - Including expenses relating to IPO	42,340.00	1,959.89	40,380.11
Total	187,000.00	1,959.89	185,040.11

Expenses incurred by the Company aggregating to ₹ 2,938.45 Lakhs, in connection with IPO have been adjusted towards securities premium reserve.

b) Terms and rights attached to equity shares

Equity shares have a par value of ₹ 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

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.

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

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Mr. Radha Kishan Damani	24,59,30,000	28,19,30,000	28,19,30,000
- % holding of shares	39.41%	50.21%	50.21%
Mr. Gopi Kishan Damani	5,09,80,000	7,49,80,000	7,49,80,000
- % holding of shares	8.17%	13.35%	13.35%
Bright Star Investments Private Limited	8,87,50,000	8,87,50,000	8,87,50,000
- % holding of shares	14.22%	15.80%	15.80%

16 NON-CURRENT BORROWINGS

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Secured				
Term loans from banks	55,846.87	51,377.52	66,057.64	
Less : Current maturities (Refer Note : 21)	(17,654.43)	(15,530.65)	(14,680.12)	
	38,192.44	35,846.87	51,377.52	
Non convertible debentures	80,000.00	55,000.00	20,000.00	
Less : Current maturities (Refer Note : 21)	(20,100.00)	-	-	
	59,900.00	55,000.00	20,000.00	
Total	98,092.44	90,846.87	71,377.52	

Nature of Security and terms of repayment for borrowings:

Sr No	Nature of Security	Terms of Payment
1	Term loan are secured by way of mortgage of various stores properties to the banks. Charge creation against term loan amounting to ₹ 20,000 Lakhs obtained from HSBC is in process. Further for an amount aggregating ₹ 23,050 Lakhs, satisfaction of the charge with the Registrar of Companies is under process.	Repayable in 36 to 60 monthly installments. Last installment due in March, 2021. Rate of interest is ranging between 8.65% and 11.50% p.a. as at the year end.
2	The above term loans from banks are further secured by way of personal guarantees given by the promoters except in respect of outstanding loans of ₹ 21,050 Lakhs (Previous year : ₹ 6,200 Lakhs).	
3	Non convertible debentures (NCD) are secured by way of mortgage of specific store properties to the Debenture Trustees.	NCD for ₹ 80,000 Lakhs is repayable in 24 to 60 annual installments. Last installments are due in August 2020. Rates of interest is ranging between 8.25% and 10.38% p.a. as at the year end.
4	Current maturities of NCD include ₹ 15,000 Lakhs, which the company has planned to prepay before its scheduled repayment date during the financial year 2017-18, out of the IPO proceeds as per terms of the issuance.	

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17 OTHER NON-CURRENT FINANCIAL LIABILITIES

	As at 31 st March, 2017	As at 31 st March, 2016	(₹ in Lakhs) As at 1 st April, 2015
Rent deposits taken :			
- Related Parties (Refer Note : 32)	-	188.50	188.50
- Others	138.35	1,617.18	1,656.21
Total	138.35	1,805.68	1,844.71

18 DEFERRED TAX LIABILITIES (NET)

	As at 31 st March, 2017	As at 31 st March, 2016	(₹ in Lakhs) As at 1 st April, 2015
Deferred tax liability on account of:			
- Depreciation	5366.18	4,149.30	3,165.95
Deferred tax assets on account of:			
- Employee benefits	191.68	140.00	105.64
Total	5,174.50	4,009.30	3,060.31

Movements in deferred tax liabilities

	Property Plant and Equipment	Employee Benefits	Total
At 1st April, 2015	3,165.95	(105.64)	3,060.31
Charged / (Credited) to			
Profit and Loss	983.35	(34.36)	948.99
Other Comprehensive income	-	-	-
At 31st March, 2016	4,149.30	(140.00)	4,009.30
Charged / (Credited) to			
Profit and Loss	1,216.88	(51.68)	1,165.20
Other Comprehensive income	-	-	-
At 31st March, 2017	5,366.18	(191.68)	5,174.50

19 CURRENT BORROWINGS

	As at 31 st March, 2017	As at 31 st March, 2016	(₹ in Lakhs) As at 1 st April, 2015
A. Secured			
(a) Working capital loans from banks	12,266.04	6,349.11	2,693.57
(Working capital loan from banks are secured by hypothecation of inventories, books debts, both present & future)			
Unsecured			
(a) By issue of Commercial Papers	-	5,000.00	-
Total	12,266.04	11,349.11	2,693.57

The above working capital loans from banks are further secured by way of personal guarantees given by the promoters except in respect of an outstanding loan of ₹ 3,929.61 Lakhs (Previous year-₹ 5,000.00 Lakhs).

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20 TRADE PAYABLES

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Trade payables (Refer Note : 34)	25,694.35	19,053.74	11,528.05
Amounts payable to related parties (Refer Note : 32)	981.17	993.22	2,175.89
Total	26,675.52	20,046.96	13,703.94

(a) Dues to Micro And Small Enterprises (Refer Note : 34)

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	65.48	80.36	18.75
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21 OTHER CURRENT FINANCIAL LIABILITIES

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Current maturities of term loans (Refer Note : 16)	17,654.43	15,530.65	14,680.12
Current maturities of debentures (Refer Note : 16)	20,100.00	-	-
Interest accrued but not due on borrowings	3,718.40	2,413.91	1,511.62
Escrow Deposits Received*	979.18	995.14	-
Overdrawn Bank Balances	0.19	19.76	23.52
Salary and Wages payable	1,999.89	2,076.04	1,156.17
Capital Creditors	3,296.48	4,316.65	2,176.58
Rent Deposits Taken (due for repayment within a year)	1,534.71	-	-
Total	49,283.28	25,352.15	19,548.01

* Escrow deposits represents amount received for any possible claims that may arise in future in respect of certain properties.

22 SHORT TERM PROVISIONS

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Provision for employee benefits	278.88	149.42	126.67
Gratuity (Refer Note : 45)	537.55	388.22	288.93
Total	816.43	537.64	415.60

23 OTHER CURRENT LIABILITIES

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Statutory Dues	3,146.23	1,744.76	1,389.50
Revenue received in advance	74.40	192.20	102.39
Total	3,220.63	1,936.96	1,491.89

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24 REVENUE FROM OPERATIONS

	Year ended 31 st March, 2017	Year ended 31 st March, 2016	(₹ in Lakhs)
Sales of : Own Merchandise	1,270,696.91	913,905.02	
Consignment Merchandise	8,644.69	8,825.86	
	1,279,341.60	922,730.88	
Less : Value Added Tax	(85,929.50)	(59,322.47)	
Less : Cost of Consignment Merchandise	(7,570.13)	(7,678.19)	
Other Operating Income	2,269.93	1,787.42	
Total	1,188,111.90	857,517.64	

25 OTHER INCOME

	Year ended 31 st March, 2017	Year ended 31 st March, 2016	(₹ in Lakhs)
Interest	721.68	256.25	
Rent and Amenities Service income (Refer Note : 4 and 36)	1,588.99	1,429.88	
Dividend Income on Current investment	1.90	-	
Profit on Sale of Current investment	755.56	251.75	
Miscellaneous Income	60.73	67.14	
Total	3,128.86	2,005.02	

26 CHANGE IN INVENTORY OF STOCK-IN-TRADE

	Year ended 31 st March, 2017	Year ended 31 st March, 2016	(₹ in Lakhs)
Closing Stock	93,315.99	66,020.05	
Opening Stock	66,020.05	52,991.67	
Total	(27,295.94)	(13,028.38)	

27 EMPLOYMENT BENEFIT EXPENSE

	Year ended 31 st March, 2017	Year ended 31 st March, 2016	(₹ in Lakhs)
Salaries, Allowances and Others	16,823.07	13,234.76	
Expense on Employee Stock Option Scheme (Refer Note : 44)	114.27	-	
Contribution to Provident Fund and Other Funds*	818.11	568.71	
Employee Welfare Expenses	1,191.87	818.41	
Total	18,947.32	14,621.88	
<i>* Contribution to Provident Fund (Defined contribution plan)</i>			
Amount recognised in the Statement of Profit and Loss			
(i) Provident fund paid to the authorities	250.21	173.93	
(ii) Pension fund paid to the authorities	567.90	394.78	
Total	818.11	568.71	

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28 FINANCE COSTS

	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest on term loans from banks	5,936.49	6,395.35
Interest on Non Convertible Debentures	6,706.48	3,055.21
Interest Others	636.11	740.96
	13,279.08	10,191.52
Less : Capitalised	(1,142.76)	(1,106.18)
	12,136.32	9,085.34
Finance Charges	44.07	38.11
Total	12,180.39	9,123.45

Note - The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the general borrowings during the year, in this case - 9.80% (31st March, 2016 - 10.48%)

29 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31st March, 2017	Year ended 31st March, 2016
Depreciation/ Amortisation on:		
- Tangible assets	12,422.75	9,558.43
- Intangible assets	209.76	160.37
- Investment Property	87.88	64.88
	12,720.39	9,783.68
Less : Capitalised	(118.30)	(74.04)
Total	12,602.09	9,709.64

30 OTHER EXPENSES

	Year ended 31st March, 2017	Year ended 31st March, 2016
Contract Labour Charges	28,870.58	20,511.73
Rent (Refer Note : 36)	3,421.15	1,891.64
Electricity & Fuel Charges	9,844.21	7,861.77
Insurance	221.39	70.77
Rates and Taxes	1,167.71	1,072.11
Repairs and Maintenance:		
- Building	1,112.09	901.44
- Plant and Machinery	1,576.52	1,141.00
- Others	1,072.98	1,099.16
Legal and Professional Fees	951.00	741.92
Travelling and Conveyance	1,153.89	872.32
Directors Fees	16.10	-
Payment to Auditors*		
- Audit Fees	31.19	31.28
- Other Services	27.63	-
- Reimbursement of Expenses	0.47	0.34
Donation Paid	3.81	3.56
Miscellaneous Expenses	12,862.11	9,066.47

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30 OTHER EXPENSES (CONTD.)

	Year ended 31st March, 2017	Year ended 31st March, 2016	(₹ in Lakhs)
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer Note : 39)	734.52	497.76	
Sundry Balances written off	23.81	7.04	
Loss due to fire/natural calamities/theft	37.07	-	
Loss on sale/discardment of fixed assets (Net)	84.81	78.11	
Exchange Loss / (Gain) (Net)	(12.83)	(4.75)	
Total	63,200.21	45,843.67	

* Excluding fees relating to IPO ₹ 126.50 Lakhs and reimbursement of expenses ₹ 1.15 Lakhs, both debited to securities premium reserve.

31 INCOME TAX EXPENSES

	Year ended 31st March, 2017	Year ended 31st March, 2016	(₹ in Lakhs)
Tax expense recognized in the Statement of Profit and Loss			
(a) Income tax expense			
Current tax			
Current tax on profits for the year	25,124.37	16,081.81	
Adjustments for current tax of prior periods	157.85	13.21	
Total current tax expense	25,282.22	16,095.02	
Deferred tax			
(Decrease) / increase in deferred tax	1,165.20	948.99	
Total deferred tax expense/(benefit)	1,165.20	948.99	
Income tax expense	26,447.42	17,044.01	
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:			
Profit before tax	74,711.27	48,835.17	
Tax calculated at tax rates applicable to profit @ 34.61%	25,857.57	16,901.85	
Differences due to:			
Donation / CSR	160.29	101.81	
Adjustments for current tax of prior periods	157.85	13.21	
Difference for income from house property	(139.94)	(131.23)	
Others	411.65	158.36	
Total income tax expense/(credit)	26,447.42	17,044.01	

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32 RELATED PARTY DISCLOSURES AS PER IND AS 24

(a) Relationships	Country of incorporation	Ownership interest (%)		
		31st March, 2017	31st March, 2016	1st April, 2015
(i) Subsidiary Companies :				
Avenue Food Plaza Private Limited	India	100	100	100
Align Retail Trades Private Limited	India	100	100	100
Nahar Seth & Jogani Developers Private Limited	India	90	90	90
(ii) Associate Enterprises				
Avenue E-Commerce Limited	India	49.21	44.47	-
(iii) Shareholders who exercise control:				
Mr. Gopikishan Damani				
Mr. Radhakishan Damani				
Mrs. Kirandevi Damani				
Mrs. Shrikantadevi Damani				
Bright Star Investments Private Limited				
(iv) Directors :				
Mr. Ramakant Baheti (Chief Financial Officer and Executive Director)				
Mr. Ignatius Navil Noronha (Managing Director)				
Mr. Ramesh Damani (Chairman and Independent Director)				
Mrs. Manjri Chandak (Non Executive Director)				
Mr. Elvin Machado (Executive Director)				
Mr. Chandrashekhar B. Bhave (Independent Director)				
(v) Entities over which parties listed in (i) and (ii) above exercise control / significant influence and transactions have taken place with them during the period :				
7 Apple Hotels Private Limited				
Bombay Swadeshi Stores Limited				
(vi) Trust :				
Avenue Supermarts Limited Employees Group Gratuity Trust				

(b) Transaction with related parties

	Referred in (a) (i) above	Referred in (a) (ii) above	Referred in (a) (iii) above	Referred in (a) (iv) above	Referred in (a) (v) above	Referred in (a) (vi) above	(₹ in Lakhs)
Purchases :							
Purchase of Goods							
Align Retail Trades Private Limited	58,655.96 (43,328.75)						
Sales :							
Avenue E-Commerce Limited		141.27 (-)					
Expenses :							
Remuneration #							
- Mr. Ignatius Navil Noronha				347.72 (1,829.99)			

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(b) Transaction with related parties (Contd.)

	Referred in (a) (i) above	Referred in (a) (ii) above	Referred in (a) (iii) above	Referred in (a) (iv) above	Referred in (a) (v) above	Referred in (a) (vi) above	(₹ in Lakhs)
- Mr. Ramakant Baheti				77.70			
				(80.70)			
- Mr. Elvin Machado*				67.66			
				(52.51)			
Sitting Fees							
- Mrs. Manjri Chandak				5.75			
				(-)			
- Mr. Ramesh Damani				5.75			
				(-)			
- Mr. Chandrashekhar B. Bhave				4.60			
				(-)			
Rent							
Nahar Seth & Jogani Developers Private Limited	75.00						
	(75.00)						
Income :							
Rent and Amenities Service income							
Align Retail Trades Private Limited	8.16						
	(8.16)						
Avenue Food Plaza Private Limited	29.57						
	(12.97)						
Avenue E-Commerce Private Limited	60.00						
	(-)						
7 Apple Hotels Private Limited				61.87			
				(-)			
Bombay Swadeshi Stores Limited				13.80			
				(-)			
Interest							
Align Retail Trades Private Limited	292.39						
	(197.43)						
Reimbursements :							
Reimbursement of Expenses							
Align Retail Trades Private Limited	1.95						
	(99.11)						
Avenue Food Plaza Private Limited	42.73						
	(33.83)						
Nahar Seth & Jogani Developers Private Limited	-						
	(5.00)						

*Note : ESOP granted to Mr. Elvin Machado - 120000 under the ESOP Scheme 2016

Note : Compensation to Directors of the Company:

Nature of Benefit	(₹ in Lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Short Term Employment Benefits	476.16	(1,909.26)
Post Employment Benefits	45.71	(53.94)
Sitting Fees	16.10	-

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

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	Referred in (a) (i) above	Referred in (a) (ii) above	Referred in (a) (iii) above	Referred in (a) (iv) above	Referred in (a) (v) above	Referred in (a) (vi) above	(₹ in Lakhs)
Finance :							
Equity share capital issued							
Investment in Share Capital							
Avenue E-Commerce Limited		2,062.13					
		(1,389.61)					
Contribution to Trust							
Avenue Supermarts Limited Employees Group							149.42
Gratuity Trust							(126.67)
Outstandings :							
Rent deposits given							
Nahar Seth & Jogani Developers Private Limited	836.94						
	(836.94)						
	(831.94)						
Rent deposits taken							
Avenue Food Plaza Private Limited	-						
	(188.50)						
	(188.50)						
Trade payables							
Align Retail Trades Private Limited	981.17						
	(993.22)						
	(2,175.89)						
Advances to subsidiary companies							
Align Retail Trades Private Limited	1,165.00						
	(1,376.08)						
	(1,880.32)						
Avenue Food Plaza Private Limited	6.75						
	(76.53)						
	(47.80)						
Interest receivable							
Align Retail Trades Private Limited	64.21						
	(177.69)						
	(220.93)						
Other payable							
Nahar Seth & Jogani Developers Private Limited	78.75						
	(-)						
	(-)						
Advances Recoverable in Cash or in Kind or in value to be received							
Align Retail Trades Private Limited	4.80						
	(4.82)						
Avenue Food Plaza Private Limited	2.79						
	(13.39)						
	(-)						

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	Referred in (a) (i) above	Referred in (a) (ii) above	Referred in (a) (iii) above	Referred in (a) (iv) above	Referred in (a) (v) above	Referred in (a) (vi) above	(₹ in Lakhs)
Avenue E-Commerce Limited			63.00				
			(-)				
			(-)				
Bombay Swadeshi Stores Limited					10.22		
					(-)		
					(-)		
Trade receivable							
Avenue E-Commerce Limited			75.92				
			(-)				
			(-)				
Guarantee commitments (taken/given)				Refer Note below			

Guarantees taken by the Company from related parties :

Type of Loan	Referred in (a) (i) above	(₹ in Lakhs)
Secured Loans (Amount outstanding as at 31 st March, 2017)		43,133.49
(Personal guarantees of Mr. Radhakishan Damani and Mr. Gopikishan Damani)		(51,546.39)

Guarantees given by the Company on related parties :

Type of Loan	Referred in (a) (i) above	(₹ in Lakhs)
Secured Loans		1,600.00
(Guarantee given by ASL for ARTL)		(1,600.00)

Figures in bracket represent previous year figures

33 ASSETS PLEDGED AS SECURITY

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

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Current Assets			
Trade Receivables	2,099.79	837.74	707.26
Inventories	93,315.99	66,020.05	52,991.67
Total Current assets pledged as security	95,415.78	66,857.79	53,698.93
Non Current Assets			
First Charge			
Land	24,755.08	18,115.39	11,226.12
Building	68,180.10	58,984.82	43,145.66
Total non-current assets pledged as security	92,935.18	77,100.21	54,371.78
Total assets pledged as security	188,350.96	143,958.00	108,070.71

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34 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, 2017	As at 31 st March, 2016	As at 1 st April, 2015
1 Principal amount not due and remaining unpaid	62.17	77.83	15.94
2 Principal amount due and remaining unpaid	3.31	2.53	2.81
3 Interest due on (1) above and the unpaid interest	0.10	1.04	0.43
4 Interest paid on all delayed payments under the MSMED Act	-	-	-
5 Payment made beyond the appointed day during the year	-	-	-
6 Interest due and payable for the period of delay other than (3) above	0.10	1.04	0.43
7 Interest accrued and remaining unpaid	-	-	-
8 Amount of further interest remaining due and payable in succeeding years	-	-	-

35 DISCLOSURES RELATING TO SPECIFIED BANK NOTES (SBNs) HELD AND TRANSACTED DURING THE PERIOD FROM 8TH NOVEMBER 2016 TO 30TH DECEMBER, 2016

	SBN	Other Denomination	(₹ in Lakhs) Total
Closing cash in hand as on 8 th November, 2016	912.27	220.27	1,132.54
+ Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount deposited in banks	(912.27)		
Closing cash in hand as on 30 th December, 2016	-		

Specified Bank Notes is defined as bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees. The disclosures with respect to 'Permitted Receipts', 'Permitted Payments', 'Amount Deposited in Banks' and 'Closing cash in hand as on 30th December, 2016' is understood to be applicable in case of SBNs only.

36 LEASE DISCLOSURE

Premises taken on operating lease :

	As at 31 st March, 2017	As at 31 st March, 2016
Lease rent Expenses recognized in the Profit and Loss Account of the current year	3,421.15	1,891.64
The total future minimum lease rent payable at the Balance Sheet date :		
- For a period not later than one year	2,657.66	1,856.43
- For a period later than one year and not later than 5 years	5,984.27	5,951.03
- For a period later than five years	-	26.76

Premises given on operating lease other than investment property:

	As at 31 st March, 2017	As at 31 st March, 2016
Lease rent Income recognized in the Profit and Loss Account of the current year Including contingent rent of ₹ 7.69 Lakhs(Previous Year ₹ 3 Lakhs)	38.20	21.59
- For a period not later than one year	8.16	21.13
- For a period later than one year and not later than 5 years	13.60	47.71
- For a period later than five years	-	-

Premises and fixed assets are given on operating lease for various agreement periods ranging from 3 years to 9 years.

Variable rent for certain stores is receivable in accordance with the lease agreement at the higher of (a) fixed minimum guarantee amount and (b) revenue share percentage.

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37 CAPITAL COMMITMENT

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Estimated amounts of contracts remaining to be executed on capital account and not provided for (Net of advances)	70,022.86	48,865.48	38,214.19	

38 CONTINGENT LIABILITIES

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Income Tax Matters	6.47	29.49	9.30	
Vat Matters	221.05	261.28	259.17	
Service Tax Matters	69.13	69.13	69.13	
Other Matters	63.12	63.12	51.82	

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.

39 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

	Year ended 31 st March, 2017	Year ended 31 st March, 2016	(₹ in Lakhs)
Amount required to be spent as per Section 135 of the Act	701.75	468.54	
Amount spent during the year on:			
(i) Construction/acquisition of any asset	-	-	
(ii) On purposes other than (i) above	734.52	497.76	
Total	734.52	497.76	

40 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".

41 EARNINGS PER SHARE

	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Earnings Per Share has been computed as under:		
Profit/(Loss) for the year (₹ in Lakhs)	48,263.85	31,791.16
Weighted average number of equity shares outstanding	56,39,41,544	56,15,42,680
Add: Weighted average number of potential equity shares on account of employee stock options/ performance share schemes	6,85,057	-
Weighted average number of Equity shares (including dilutive shares) outstanding	56,46,26,600	56,15,42,680
Earnings Per Share (₹) - Basic (Face value of Re. 10 per share)	8.56	5.66
Earnings Per Share (₹) - Diluted (Face value of Re. 10 per share)	8.55	5.66

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42. As per the requirement of Section 149 of the Companies Act, 2013 and the rules made thereunder, the Company is required to appoint two independent directors. The Board of Directors, vide resolution dated 11th August, 2014, recognised Mr. Ramesh Damani as independent Director duly confirmed by vide shareholders approval at their meeting convened on 30th September, 2014. However, considering the business in which the Company deals in the expertise required in various fields, the process of appointing on more independent directors was completed only on 17th May, 2016. Based on the Company's application to the Central Government, the delay has been compounded under the order of Ministry of Corporate Affairs.

43 (A) CAPITAL RISK MANAGEMENT

For the purpose of the Company'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 Company manages its capital structure and makes adjustments in light of changes in economic condition

and the requirements of the financial covenants. The Company has raised capital by issue of equity shares through an IPO (Refer Note : 16). Certain proceeds from the IPO are proposed to be used for repayment of loans which shall significantly reduce the Company's borrowings.

(B) DIVIDENDS

The Company has not paid any dividend since its incorporation.

44 SHARE-BASED PAYMENTS

Employee stock option plan

During the year, the Company has instituted an Avenue Supermarts Limited Employee Stock Option Scheme, 2016 ("the Scheme") as approved by the Board of Directors for issuance of stock option to eligible employee of the Company and of its subsidiaries.

Pursuant to the said scheme, Stock options convertible into 1,39,73,325 (Previous year Nil) equity shares of ₹ 10 each were granted to eligible employee at an exercise prices of ₹ 299/- being price at which fresh issue of shares made in IPO.

Subject to terms and condition of the Scheme, Options are classified into three categories.

	Option A	Option B	Option C
Vesting Period from date of Grant	9 years	6 years	2.5 years
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			

Summary of options granted

	31 st March, 2017		
	Average exercise price per share option	Number of options	
Opening balance	-	-	
Granted during the year	299	1,39,73,325	
Exercised during the year	299	-	
Forfeited during the year	299	81,900	
Closing balance	1,38,91,425		
Vested		2,400	

Expiry date and exercise prices of the share options outstanding at the end of the year:

Option	Grant date	Expiry date	Exercise price (₹)	Share options 31 st March, 2017
Option C 2.5 Years	14 th March, 2017	13 th September, 2019	299	61,37,025
Option B 6 Years	14 th March, 2017	13 th March, 2023	299	49,83,975
Option A 9 Years	14 th March, 2017	13 th March, 2026	299	27,68,025
Total				1,38,89,025

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The model inputs for fair value of option granted during the year ended 31st March 2017:

Inputs	Option A	Option B	Option C
Exercise Price	₹ 299/-	₹ 299/-	₹ 299/-
Dividend Yield	0%	0%	0%
Risk free Interest rate	6.98%	7.24%	6.77%

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

Fair value of options has been determined by an independent valuer (category I merchant banker) using Black Scholes model.

Expense arising from share based payments transactions

	(₹ in Lakhs) 31-Mar-17
Recognised in the statement of profit or loss	114.27
Recovered from subsidiaries	1.94
Total	116.21

45 POST RETIREMENT BENEFIT PLANS

As per Actuarial Valuation as on 31st March, 2017, 2016 and 1st April, 2015 and recognised in the financial statements in respect of Employee Benefit Schemes:

A. Balance Sheet

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Gratuity:			
Present value of plan liabilities	1,053.47	712.08	527.83
Fair value of plan assets	774.59	562.66	401.16
Deficit/(Surplus) of funded plans	278.88	149.42	126.67
Unfunded plans	-	-	-
Net plan liability/ (Asset)	278.88	149.42	126.67

B. Movements in plan assets and plan liabilities

Gratuity:

	Year ended 31 st March, 2017			Year ended 31 st March, 2016		
	Plan Assets	Plan liabilities	Total	Plan Assets	Plan liabilities	Total
As at 1st April, 2015	(562.66)	712.08	149.42	(401.16)	527.83	126.67
Current service cost	-	164.85	164.85	-	124.98	124.98
Employee contributions	-	-	-	-	-	-
Return on plan assets excluding actual return on plan assets	(18.39)	(18.39)	(2.58)	(2.58)	-	(2.58)
Interest income	(44.12)	-	(44.12)	(32.25)	-	(32.25)
Interest cost	-	55.83	55.83	-	42.45	42.45
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	(10.10)	(10.10)	(10.10)
Actuarial (gain)/loss arising from changes in financial assumptions	58.65	58.65	-	7.69	7.69	7.69

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	Year ended 31 st March, 2017			Year ended 31 st March, 2016		
	Plan Assets	Plan liabilities	Total	Plan Assets	Plan liabilities	Total
Actuarial (gain)/loss arising from experience adjustments	-	79.39	79.39	-	47.66	47.66
Employer contributions	(149.42)		(149.42)	(126.67)		(126.67)
Benefit payments	-	(17.33)	(17.33)	-	(28.43)	(28.43)
As at 31st March, 2017	(774.59)	1,053.47	278.88	(562.66)	712.08	149.42

C. Statement of Profit and Loss

Gratuity:

	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Employee Benefit Expenses:	-	-
Current service cost	164.85	124.98
Finance cost/(income)	11.71	10.20
Net impact on the Profit / (Loss) before tax	176.56	135.18

Remeasurement of the net defined benefit liability:

Return on plan assets excluding actual return on plan assets	(18.39)	(2.58)
Actuarial gains/(losses) arising from changes in demographic assumption		(10.10)
Actuarial gains/(losses) arising from changes in financial assumption	58.65	7.69
Experience gains/(losses) arising on experience adjustments	79.39	47.66
benefit plan liabilities		-
Net impact on the Other Comprehensive Income before tax	119.65	42.67

D. Assets

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Gratuity:			
Unquoted			
Insurer managed funds	774.59	562.66	401.16
Total	774.59	562.66	401.16

E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date

The significant actuarial assumptions were as follows:

Gratuity:

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Financial Assumptions			
Discount rate	7.84%	8.04%	9.29%
Salary Escalation Rate	8.00%	8.00%	8.00%
Attrition	15.00%	15.00%	15.00%

Demographic Assumptions

Published rates under the Indian Assured Lives Mortality (2006-08) Ultimate.

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F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Gratuity:	As at 31 st March, 2017			As at 31 st March, 2016		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(57.03)	64.09	1%	(36.80)	41.13
Salary Escalation Rate	1%	59.11	(54.21)	1%	40.67	(37.08)
Attrition Rate	1%	(11.05)	11.65	1%	(5.44)	5.59

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

G. The defined benefit obligations shall mature after year end 31st March, 2017 as follows:

Gratuity:

Year	Defined benefit obligation		(₹ in Lakhs)
	As at 31 st March, 2017	As at 31 st March, 2016	
2017	117.82	77.83	
2018	114.88	82.03	
2019	117.24	91.44	
2020	120.09	85.21	
2021	119.87	84.27	
Sum of years 6 to 10	472.09	335.59	

46 FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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.

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 short term 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.

Exposure to interest rate risk

Particulars	(₹ in Lakhs)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Borrowings bearing variable rate of interest	12,266.04	6,349.11	2,693.57

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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 Company'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

	2016-2017 (₹ in Lakhs)	2015-2016 (₹ in Lakhs)
50 bp increase- decrease in profits	(5.59)	(4.42)
50 bp decrease- Increase in profits	5.59	4.42

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flow of an exposure will fluctuate because of change in foreign exchange rates. The Company's exposure to risk of changes in foreign exchange rates primarily relates to its import activity with respect to US\$.

The Company believes that its business operating model is capable of managing its exposure to foreign exchange risk and hence the Company does not hedge its foreign commercial transaction.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and other exchange rates, with all other variable held constant. The impact on the Company's profit before tax is due to change in foreign exchange rate for its import activity and unable to recover the same through price increase.

A change of 1% in Foreign currency would have following Impact on profit before tax

	2016-2017 (₹ in Lakhs)		2015-2016 (₹ in Lakhs)	
	5% Increase	5% decrease	5% Increase	5% decrease
USD - Traded goods	1,322.68	(1,322.68)	916.55	(916.55)
Increase / (decrease) in Profit before Tax	1,322.68	(1,322.68)	916.55	(916.55)
USD - Capital goods	12.05	(12.05)	12.03	(12.03)
Impact on Cost of Capital Goods	12.05	(12.05)	12.03	(12.03)

Credit risk

Credit risk is the risk that counter party 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.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements .

Financial assets where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

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

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Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. Processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity patterns of borrowings

	As at 31 st March, 2017			(₹ in Lakhs)
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	37,754.43	98,092.44	-	135,846.87
Short term borrowings	12,266.04	-	-	12,266.04
Expected Interest payable	7,254.04	6,463.42	-	13,717.46
Total	57,274.51	104,555.86	-	161,830.37

	As at 31 st March, 2016			(₹ in Lakhs)
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	15,530.65	90,846.87	-	106,377.52
Short term borrowings	11,349.11	-	-	11,349.11
Expected Interest payable	6,139.69	8,278.20	-	14,417.89
Total	33,019.45	99,125.07	-	132,144.52

	As at 1 st April, 2015			(₹ in Lakhs)
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	14,680.12	71,377.52	-	86,057.64
Short term borrowings	2,693.57	-	-	2,693.57
Expected Interest payable	6,854.73	11,399.10	-	18,253.82
Total	24,228.42	82,776.62	-	107,005.03

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Maturity patterns of other Financial Liabilities

As at 31st March, 2017

	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	(₹ in Lakhs)	Total
Trade Payable	26,675.52	-	-	-	-	26,675.52	
Payable related to Capital goods	3,296.48	-	-	-	-	3,296.48	
Other Financial liabilities (Current and Non Current)	8,232.37	-	-	-	138.35	8,370.72	
Total	38,204.37	-	-	-	138.35	38,342.72	

As at 31st March, 2016

	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	(₹ in Lakhs)	Total
Trade Payable	20,046.96	-	-	-	-	20,046.96	
Payable related to Capital goods	4,316.65	-	-	-	-	4,316.65	
Other Financial liabilities (Current and Non Current)	5,504.85	-	-	-	1,805.68	7,310.53	
Total	29,868.46	-	-	-	1,805.68	31,674.14	

As at 1st April, 2015

	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	(₹ in Lakhs)	Total
Trade Payable	13,703.94	-	-	-	-	13,703.94	
Payable related to Capital goods	2,176.58	-	-	-	-	2,176.58	
Other Financial liabilities (Current and Non Current)	2,691.31	-	-	-	1,844.71	4,536.02	
Total	18,571.83	-	-	-	1,844.71	20,416.54	

47 FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

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:

- 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.
- 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.

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

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

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

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

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

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Financial Assets and Liabilities as at 31 st March, 2017			Routed through Profit & Loss						Routed through OCI						(₹ in Lakhs)		
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Carried at Amortised Cost	Total Amount
Financial Assets																	
Trade Receivables	-	2,099.79	2,099.79	-	-	-	-	-	-	-	-	2,099.79	2,099.79	2,099.79	2,099.79	2,099.79	2,099.79
Cash and Cash Equivalents	-	3,025.92	3,025.92	-	-	-	-	-	-	-	-	3,025.92	3,025.92	3,025.92	3,025.92	3,025.92	3,025.92
Bank Balances other than Cash and Cash Equivalents	-	185,105.42	185,105.42	-	-	-	-	-	-	-	-	185,105.42	185,105.42	185,105.42	185,105.42	185,105.42	185,105.42
Loans	-	105.13	105.13	-	-	-	-	-	-	-	-	105.13	105.13	105.13	105.13	105.13	105.13
Other Financial Assets	-	7,375.90	7,375.90	-	-	-	-	-	-	-	-	7,375.90	7,375.90	7,375.90	7,375.90	7,375.90	7,375.90
Other Assets																	
- Rent deposit Given	2,409.91	-	2,409.91	-	-	-	-	-	-	-	-	2,409.91	2,409.91	2,409.91	2,409.91	2,409.91	2,409.91
- Other Deposit	2,047.03	-	2,047.03	-	-	-	-	-	-	-	-	2,047.03	2,047.03	2,047.03	2,047.03	2,047.03	2,047.03
- Margin Money Deposits with Banks	68.25	-	68.25	-	-	-	-	-	-	-	-	68.25	68.25	68.25	68.25	68.25	68.25
- Long term deposits with banks with maturity period more than 12 months	10.29	-	10.29	-	-	-	-	-	-	-	-	10.29	10.29	10.29	10.29	10.29	10.29
Financial Liabilities																	
Borrowings	4,535.48	197,712.16	202,247.64	-	-	-	-	-	-	-	-	202,247.64	202,247.64	202,247.64	202,247.64	202,247.64	202,247.64
Other financial liabilities	98,092.44	12,266.04	110,358.48	-	-	-	-	-	-	-	-	110,358.48	110,358.48	110,358.48	110,358.48	110,358.48	110,358.48
Other financial liabilities																	
- Rent deposit taken	138.35	1,534.71	1,673.06	-	-	-	-	-	-	-	-	1,673.06	1,673.06	1,673.06	1,673.06	1,673.06	1,673.06
- Trade payables	26,675.52	26,675.52	26,675.52	-	-	-	-	-	-	-	-	26,675.52	26,675.52	26,675.52	26,675.52	26,675.52	26,675.52
Other Liabilities	-	47,748.57	47,748.57	-	-	-	-	-	-	-	-	47,748.57	47,748.57	47,748.57	47,748.57	47,748.57	47,748.57
Financial Assets and Liabilities as at 31st March, 2016																	
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Carried at Amortised Cost	Total
Financial Assets																	
Trade Receivables	-	837.74	837.74	-	-	-	-	-	-	-	-	837.74	837.74	837.74	837.74	837.74	837.74
Cash and Cash Equivalents	-	3,197.36	3,197.36	-	-	-	-	-	-	-	-	3,197.36	3,197.36	3,197.36	3,197.36	3,197.36	3,197.36
Bank Balances other than Cash and Cash Equivalents	-	61.33	61.33	-	-	-	-	-	-	-	-	61.33	61.33	61.33	61.33	61.33	61.33
Loans	-	93.41	93.41	-	-	-	-	-	-	-	-	93.41	93.41	93.41	93.41	93.41	93.41
Other Financial Assets	-	4,006.68	4,006.68	-	-	-	-	-	-	-	-	4,006.68	4,006.68	4,006.68	4,006.68	4,006.68	4,006.68
Other Assets																	
- Rent deposit Given	1,839.69	-	1,839.69	-	-	-	-	-	-	-	-	1,839.69	1,839.69	1,839.69	1,839.69	1,839.69	1,839.69
- Other Deposit	1,006.35	-	1,006.35	-	-	-	-	-	-	-	-	1,006.35	1,006.35	1,006.35	1,006.35	1,006.35	1,006.35
- Margin Money Deposits with Banks	29.34	-	29.34	-	-	-	-	-	-	-	-	29.34	29.34	29.34	29.34	29.34	29.34
- Long term deposits with banks with maturity period more than 12 months	0.62	-	0.62	-	-	-	-	-	-	-	-	0.62	0.62	0.62	0.62	0.62	0.62
Financial Assets and Liabilities as at 31st March, 2017																	
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Carried at Amortised Cost	Total
Financial Assets																	
Trade Receivables	-	2,099.79	2,099.79	-	-	-	-	-	-	-	-	2,099.79	2,099.79	2,099.79	2,099.79	2,099.79	2,099.79
Cash and Cash Equivalents	-	3,025.92	3,025.92	-	-	-	-	-	-	-	-	3,025.92	3,025.92	3,025.92	3,025.92	3,025.92	3,025.92
Bank Balances other than Cash and Cash Equivalents	-	185,105.42	185,105.42	-	-	-	-	-	-	-	-	185,105.42	185,105.42	185,105.42	185,105.42	185,105.42	185,105.42
Loans	-	105.13	105.13	-	-	-	-	-	-	-	-	105.13	105.13	105.13	105.13	105.13	105.13
Other Financial Assets	-	7,375.90	7,375.90	-	-	-	-	-	-	-	-	7,375.90	7,375.90	7,375.90	7,375.90	7,375.90	7,375.90
Other Assets																	
- Rent deposit Given	2,409.91	-	2,409.91	-	-	-	-	-	-	-	-	2,409.91	2,409.91	2,409.91	2,409.91	2,409.91	2,409.91
- Other Deposit	2,047.03	-	2,047.03	-	-	-	-	-	-	-	-	2,047.03	2,047.03	2,047.03	2,047.03	2,047.03	2,047.03
- Margin Money Deposits with Banks	68.25	-	68.25	-	-	-	-	-	-	-	-	68.25	68.25	68.25	68.25	68.25	68.25
- Long term deposits with banks with maturity period more than 12 months	10.29	-	10.29	-	-	-	-	-	-	-	-	10.29	10.29	10.29	10.29	10.29	10.29
Financial Liabilities																	
Borrowings	4,535.48	197,712.16	202,247.64	-	-	-	-	-	-	-	-	202,247.64	202,247.64	202,247.64	202,247.64	202,247.64	202,247.64
Other financial liabilities	98,092.44	12,266.04	110,358.48	-	-	-	-	-	-	-	-	110,358.48	110,358.48	110,358.48	110,358.48	110,358.48	110,358.48
Other financial liabilities																	
- Rent deposit taken	138.35	1,534.71	1,673.06	-	-	-	-	-	-	-	-	1,673.06	1,673.06	1,673.06	1,673.06	1,673.06	1,673.06
- Trade payables	26,675.52	26,675.52	26,675.52	-	-	-	-	-	-	-	-	26,675.52	26,675.52	26,675.52	26,675.52	26,675.52	26,675.52
Other Liabilities	-	47,748.57	47,748.57	-	-	-	-	-	-	-	-	47,748.57	47,748.57	47,748.57	47,748.57	47,748.57	47,748.57
Financial Assets and Liabilities as at 31st March, 2016																	
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Carried at Amortised Cost	Total
Financial Assets																	
Trade Receivables	-	837.74	837.74	-	-	-	-	-	-	-	-	837.74	837.74	837.74	837.74	837.74	837.74
Cash and Cash Equivalents	-	3,197.36	3,197.36	-	-	-	-	-	-	-	-	3,197.36	3,197.36	3,197.36	3,197.36	3,197.36	3,197.36
Bank Balances other than Cash and Cash Equivalents	-	61.33	61.33	-	-	-	-	-	-	-	-	61.33	61.33	61.33	61.33	61.33	61.33
Loans	-	93.41	93.41	-	-	-	-	-	-	-	-	93.41	93.41	93.41	93.41	93.41	93.41
Other Financial Assets	-	4,006.68	4,006.68	-	-	-	-	-	-	-	-	4,006.68	4,006.68	4,006.68	4,006.68	4,006.68	4,006.68
Other Assets																	
- Rent deposit Given	1,839.69	-	1,839.69	-	-	-	-	-	-	-	-	1,839.69	1,839.69	1,839.69	1,839.69	1,839.69	1,839.69
- Other Deposit	1,006.35	-	1,006.35	-	-	-	-	-	-	-	-	1,006.35	1,006.35	1,006.35	1,006.35	1,006.35	1,006.35
- Margin Money Deposits with Banks	29.34	-	29.34	-	-	-	-	-	-	-	-	29.34	29.34	29.34	29.34	29.34	29.34
- Long term deposits with banks with maturity period more than 12 months	0.62	-	0.62	-	-	-	-	-	-	-	-	0.62	0.62	0.62	0.62	0.62	0.62
Financial Assets and Liabilities as at 31st March, 2017																	
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Carried at Amortised Cost	Total
Financial Assets																	
Trade Receivables	-	2,099.79	2,099.79	-	-	-	-	-	-	-	-	2,099.79	2,099.79	2,099.79	2,099.79	2,099.79	2,099.79
Cash and Cash Equivalents	-	3,025.92	3,025.92	-	-	-	-	-	-	-	-	3,025.92	3,025.92	3,025.92	3,025.92	3,025.92	3,025.92
Bank Balances other than Cash and Cash Equivalents	-	185,105.42	185,105.42	-	-	-	-	-	-	-	-	185,105.42	185,105.42	185,105.42	185,105.42	185,105.42	185,105.42
Loans	-	105.13	105.13	-	-	-	-	-	-	-	-	105					

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	Financial Assets and Liabilities as at 31 st March, 2016			Routed through Profit & Loss			Routed through OCI			Carried at Amortised Cost			(₹ in Lakhs)			
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Amount
Financial Liabilities																
Borrowings	90,846.87	11,329.11	102,155.98	-	-	-	-	-	-	-	-	-	-	-	102,195.98	102,195.98
Other Financial Liabilities																
- Rent deposit Taken	1,805.68	-	1,805.68	-	-	-	-	-	-	-	-	-	-	-	1,805.68	1,805.68
Trade Payables	-	20,046.96	20,046.96	-	-	-	-	-	-	-	-	-	-	-	20,046.96	20,046.96
Other Liabilities	25,352.15	25,352.15	-	-	-	-	-	-	-	-	-	-	-	-	25,352.15	25,352.15
	92,652.55	56,748.22	149,400.77												149,400.77	149,400.77

	Financial Assets and Liabilities as at 1 st April, 2015			Routed through Profit & Loss			Routed through OCI			Carried at Amortised Cost			(₹ in Lakhs)			
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Amount
Financial Assets																
Trade Receivables	-	707.26	707.26	-	-	-	-	-	-	-	-	-	-	-	707.26	707.26
Cash and Cash Equivalents	-	3,526.95	3,526.95	-	-	-	-	-	-	-	-	-	-	-	3,526.95	3,526.95
Bank Balances other than Cash and Cash Equivalents	-	59.28	59.28	-	-	-	-	-	-	-	-	-	-	-	59.28	59.28
Loans	-	82.01	82.01	-	-	-	-	-	-	-	-	-	-	-	82.01	82.01
Other Financial Assets	-	2,866.17	2,866.17	-	-	-	-	-	-	-	-	-	-	-	2,866.17	2,866.17
Other Assets																
- Rent deposit Given	1,386.42	-	1,386.42	-	-	-	-	-	-	-	-	-	-	-	1,386.42	1,386.42
- Other Deposit	684.35	-	684.35	-	-	-	-	-	-	-	-	-	-	-	684.35	684.35
- Margin Money Deposits with Banks	20.10	-	20.10	-	-	-	-	-	-	-	-	-	-	-	20.10	20.10
- Long term deposits with banks with maturity period more than 12 months	0.57	-	0.57	-	-	-	-	-	-	-	-	-	-	-	0.57	0.57
	2,070.44	7,241.67	9,312.11												9,312.11	9,312.11
Financial Liabilities																
Borrowings	71,377.52	2,683.57	74,071.09	-	-	-	-	-	-	-	-	-	-	-	74,071.09	74,071.09
Other Financial Liabilities																
- Rent deposit Taken	1,844.71	-	1,844.71	-	-	-	-	-	-	-	-	-	-	-	1,844.71	1,844.71
Trade Payables	-	13,703.94	13,703.94	-	-	-	-	-	-	-	-	-	-	-	13,703.94	13,703.94
Other Liabilities	-	19,548.01	19,548.01	-	-	-	-	-	-	-	-	-	-	-	19,548.01	19,548.01
	73,222.23	35,945.52	109,167.75												109,167.75	109,167.75

Notes

to the Standalone Financial Statements

Fair Value of Financial Assets and Liabilities measured at amortised cost

(₹ in Lakhs)

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Assets						
- Rent deposit Given	2,409.91	2,409.91	1,839.69	1,839.69	1,365.42	1,365.42
- Other Deposit	2,047.03	2,047.03	1,006.35	1,006.35	684.35	684.35
	4,456.94	4,456.94	2,846.04	2,846.04	2,049.77	2,049.77
Financial Liabilities						
- Borrowings	1,10,358.48	1,74,184.06	1,02,195.98	1,32,535.85	74,071.09	95,914.78
- Rent deposit Taken	1,673.06	1,673.06	1,805.68	1,805.68	1,844.71	1,844.71
	1,12,031.54	1,75,857.12	1,04,001.66	1,34,341.53	75,915.80	97,759.49

48 FIRST-TIME ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2015. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended 31st March, 2017, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions

(a) Deemed Cost

The Company has opted and accordingly considered the carrying value of property, plant and equipment, Intangible assets and Investment properties as deemed cost as at transition date.

(b) Investments in subsidiaries and associate

The Company has opted para D14 and D15 and accordingly considered the cost of Investments as deemed cost as at transition date.

B. Mandatory Exceptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Balance sheet as at 1st April, 2015 (Transition Date)
- II. A. Reconciliation of Balance sheet as at 31st March, 2016
 - B. Reconciliation of Statement of total Comprehensive Income for the year ended 31st March, 2016
- III. Reconciliation of Equity as at 1st April, 2015 and 31st March, 2016
- IV. Adjustments to Statement of Cash Flows

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

Notes

to the Standalone Financial Statements

I. Reconciliation of Balance sheet as at 1st April, 2015

	Previous GAAP	Regrouping	Regrouped Previous GAAP	Ind AS adjustments	(₹ in Lakhs)
					Ind AS
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	56,154.27	-	56,154.27	-	56,154.27
Other Equity	63,213.15	-	63,213.15	-	63,213.15
LIABILITIES					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	71,377.52	-	71,377.52	-	71,377.52
(ii) Other non-current liabilities	1,796.91	47.80	1,844.71	-	1,844.71
Deferred tax liabilities (Net)	3060.31	-	3,060.31	-	3,060.31
Current liabilities					
Financial Liabilities					
(i) Borrowings	2,693.57	-	2,693.57	-	2,693.57
(ii) Trade payables	13,366.19	337.75	13,703.94	-	13,703.94
(iii) Other financial liabilities	-	19,548.01	19,548.01	-	19,548.01
Short term Provisions	1,740.54	(1,324.94)	415.60	-	415.60
Liabilities for current tax (Net)	-	1,324.94	1,324.94	-	1,324.94
Other current liabilities	21,377.66	(19,885.77)	1,491.89	-	1,491.89
Total	234,780.12	47.79	234,827.91	-	234,827.91
ASSETS					
Non-current assets					
Property, Plant and Equipment	150,567.40	-	150,567.40	-	150,567.40
Capital work-in-progress	9,159.04	-	9,159.04	-	9,159.04
Investment Property	1,455.65	-	1,455.65	-	1,455.65
Intangible assets	399.21	-	399.21	-	399.21
Investment in subsidiaries and associate	-	210.00	210.00	-	210.00
Financial Assets					
(i) Investments	210.28	(210.28)	-	-	-
(ii) Other financial assets	8,735.16	(6,664.72)	2,070.44	-	2,070.44
Current Tax Assets (Net)	-	265.15	265.15	-	265.15
Other non-current assets	20.67	6,399.84	6,420.51	-	6,420.51
Current assets					
Inventories	52,991.67	-	52,991.67	-	52,991.67
Financial Assets					
Trade receivables	707.26	-	707.26	-	707.26
Cash and cash equivalents	3,586.23	(59.28)	3,526.95	-	3,526.95
Bank Balances other than cash and cash equivalent	-	59.28	59.28	-	59.28
Loans	-	82.01	82.01	-	82.01
Other financial assets	-	2,866.17	2,866.17	-	2,866.17
Other current assets	6,947.55	(2,900.38)	4,047.17	-	4,047.17
Total	234,780.12	47.79	234,827.91	-	234,827.91

As per Para (10) of Ind AS 101 requires an entity reclassify items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind AS. Accordingly, assets and liabilities which are different types of assets and liabilities in Ind AS were reclassified as at transition date.

Notes

to the Standalone Financial Statements

II. A. Reconciliation of Balance Sheet as at 31st March, 2016

	Previous GAAP	Regrouping	Regrouped Previous GAAP	Ind AS adjustments	(₹ in Lakhs) Ind AS
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	56,154.27	-	56,154.27	-	56,154.27
Other Equity	95,032.21	-	95,032.21	-	95,032.21
LIABILITIES					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	90,846.87	-	90,846.87	-	90,846.87
(ii) Other non-current liabilities	1,805.68	-	1,805.68	-	1,805.68
Deferred tax liabilities (Net)	4,009.30	-	4,009.30	-	4,009.30
Current liabilities					
Financial Liabilities					
(i) Borrowings	11,349.11	-	11,349.11	-	11,349.11
(ii) Trade payables	19,777.40	269.56	20,046.96	-	20,046.96
(ii) Other financial liabilities	-	25,352.15	25,352.15	-	25,352.15
Short term Provisions	1,620.20	(1,082.56)	537.64	-	537.64
Liabilities for current tax (Net)	-	1,082.15	1,082.15	-	1,082.15
Other current liabilities	27,558.26	(25,621.30)	1,936.96	-	1,936.96
Total	308,153.30	-	308,153.30	-	308,153.30
ASSETS					
Non-current assets					
Property, Plant and Equipment	206,126.63	-	206,126.63	-	206,126.63
Capital work-in-progress	8,168.70	-	8,168.70	-	8,168.70
Investment Property	1,365.09	-	1,365.09	-	1,365.09
Intangible assets	417.68	-	417.68	-	417.68
Investment in subsidiaries and associate	-	1,599.61	1,599.61	-	1,599.61
Financial Assets					
(i) Investments	1,599.64	(1,599.64)	-	-	-
(i) Other financial assets	11,452.04	(8,576.04)	2,876.00	-	2,876.00
Current Tax Assets (Net)	-	173.16	173.16	-	173.16
Other non-current assets	29.96	8,402.90	8,432.86	-	8,432.86
Current assets					
Inventories	66,020.05	-	66,020.05	-	66,020.05
Financial Assets					
Trade receivables	837.74	-	837.74	-	837.74
Cash and cash equivalents	3,258.69	(61.33)	3,197.36	-	3,197.36
Bank Balances other than cash and cash equivalent	-	61.33	61.33	-	61.33
Loans	-	93.41	93.41	-	93.41
Other financial assets	-	4,006.68	4,006.68	-	4,006.68
Other current assets	8,877.08	(4,100.08)	4,777.00	-	4,777.00
Total	308,153.30	-	308,153.30	-	308,153.30

Notes

to the Standalone Financial Statements

II B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016

	Regrouped Indian GAAP	Regrouping	Regrouped Previous GAAP	Ind AS adjustments	(₹ in Lakhs)
					Ind AS
Revenue from Operations	857,953.54	(435.90)	857,517.64	-	857,517.64
Other Income	2,009.77	(4.75)	2,005.02	-	2,005.02
Total	859,963.31	(440.65)	859,522.66	-	859,522.66
Expenses					
Purchases of Stock-in-Trade	744,853.13	(435.90)	744,417.23	-	744,417.23
Changes in inventories Stock-in-Trade	(13,028.38)	-	(13,028.38)	-	(13,028.38)
Employee benefits expense	14,579.21	42.67	14,621.88	-	14,621.88
Finance costs	9,072.82	50.63	9,123.45	-	9,123.45
Depreciation and amortization expense	9,709.64	-	9,709.64	-	9,709.64
Other expenses	45,899.05	(55.38)	45,843.67	-	45,843.67
Total	811,085.47	(397.98)	810,687.49	-	810,687.49
Profit before tax	48,877.84	(42.67)	48,835.17	-	48,835.17
Tax expense					
Current tax	16,096.58	(14.77)	16,081.81	-	16,081.81
Deferred tax charge /(credit)	948.99	-	948.99	-	948.99
Tax in respect of earlier years	13.21	-	13.21	-	13.21
Profit for the year (A)	31,819.06	(27.90)	31,791.16	-	31,791.16
Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
Remeasurements of net defined benefit plans	-	42.67	42.67	-	42.67
Income tax relating to above	-	(14.77)	(14.77)	-	(14.77)
Other Comprehensive Income for the year (B)	-	27.90	27.90	-	27.90
Total Comprehensive Income for the year (A+B)	31,819.06	0.00	31,819.06	-	31,819.06

(₹ in Lakhs)

As at

31st March, 2016

III A Reconciliation of Equity

Total equity(shareholder's fund) under previous GAAP	151,186.48
Adjustments impact: Gain/ (Loss)	
Others	-
Total Ind AS adjustment	-
Total equity under Ind AS	151,186.48

There are no reconciling items between the equity as of 31st March, 2016, as previously reported and as per Ind AS.

III B Reconciliation of Income Statement

Profit after tax under previous GAAP	31,819.06
Adjustments Gain/ (Loss)	
Remeasurements of net defined benefit plans	42.67
Income tax relating to above	(14.77)
Total Ind AS Impact	27.90
Total profit under Ind AS	31,791.16

Notes

to the Standalone Financial Statements

III C Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2016

	(₹ in Lakhs)	Previous GAAP	Ind AS adjustments	Ind AS
Net cash flow from operating activities	42,502.06	23.52	42,525.58	
Net cash flow from investing activities	(62,499.49)	(0.00)	(62,499.49)	
Net cash flow from financing activities	19,628.32	19.76	19,648.08	
Net increase/(decrease) in cash and cash equivalents	(369.11)	43.28	(325.83)	
Cash and cash equivalents as at 1 st April, 2015	3,550.47	(47.04)	3,503.43	
Cash and cash equivalents as at 31 st March, 2016	3,197.36	(19.76)	3,177.60	

Notes to first time adoption

The following explains the material adjustments made while transition from previous accounting standards to Ind AS,

A As required under Paragraph (10C) of Ind AS 101 the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind AS.

B Remeasurements of post employment benefit obligation Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements

were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended 31st March, 2016 increase by ₹ 42.69 Lakhs There is no impact on the total equity as at 1st April, 2015.

C Bank Overdrafts

Under Ind AS, bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities. Consequently, cash and cash equivalents have reduced by ₹ 19.76 Lakhs as at 31st March 2016 (1st April, 2015 – ₹ 23.52 Lakhs) and cash flows from financing activities for the year ended 31st March 2017 have also reduced by ₹ 0.19 Lakhs to the effect of the movements in bank overdrafts.

As per our report of even date

For **Dalal & Shah LLP**
 Firm Registration Number 102021W/ W100110
 Chartered Accountants

S. Venkatesh
 Partner
 Membership No.037942

Thane, 6th May, 2017

For and on behalf of Board of Directors

Ignatius Navil Noronha
 Managing Director

Ramakant Baheti
 Chief Financial Officer and Executive Director

Ashu Gupta
 Company Secretary

Thane, 6th May, 2017

Independent Auditors' Report

To the Members of
Avenue Supermarts Limited

Report on the Consolidated Indian Accounting Standards (Ind AS)Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Avenue Supermarts Limited ("hereinafter referred to as the Holding Company") and its subsidiaries(the Holding Company and its subsidiaries together referred to as "the Group")and an associate company; (Refer Note : 51 to the attached consolidated financial statements),comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss(including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its associate in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and

fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by

Independent Auditors' Report

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 and its associate as at March 31, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

8. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 1,269.08 Lakhs and net assets of ₹ 13.29 Lakhs as at March 31, 2017, total revenue of ₹ 1,556.63 Lakhs, net profit of ₹ 327.76 Lakhs and net cash flows amounting to ₹ 33.36 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 1292 Lakhs for the year ended March 31, 2017 as considered in the consolidated Ind AS financial statements, in respect of one associate company whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate company and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and the associate, is based solely on the reports of the other auditors.

Our opinion 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.

9. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory consolidated financial statements for the years ended March 31, 2016 and March 31, 2015

prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated August 1, 2016 and August 28, 2015 respectively. The adjustments to those consolidated financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and the associate company incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and the associate company incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and the associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and the associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group and its associate.
 - ii. The Group and its associate did not have any long-term contracts including derivative contracts as at March 31, 2017.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and its associate company incorporated in India during the year ended March 31, 2017.
- iv. In the consolidated financial statements, holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016, by the Holding Company and its subsidiary companies and the associate company incorporated in India has been requisite disclosed, on the basis of information available with the Company. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and its subsidiary companies and the associate company incorporated in India and as produced to us by the Management and the reports of the other auditors – Refer Note : 37.

For **Dalal & Shah LLP**
Chartered Accountants
Firm Registration Number: 102021W/W100110

Thane
May 6, 2017

S Venkatesh
Partner
Membership Number: 037942

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Avenue Supermarts Limited on the consolidated Ind AS financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of Avenue Supermarts Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those

Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Dalal & Shah LLP**
Chartered Accountants
Firm Registration Number: 102021W/W100110

Thane
May 6, 2017

S Venkatesh
Partner
Membership Number: 037942

Consolidated Balance Sheet

	Note	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
I ASSETS				(₹ in Lakhs)
1 Non-current assets				
(a) Property, plant and equipment	2	254,393.67	208,917.67	152,408.96
(b) Capital work - in - progress		15,289.36	8,168.70	9,811.70
(c) Other intangible assets	3	644.07	434.08	399.35
(d) Investment properties	4	2,737.16	1,365.09	1,455.65
(e) Investments in associate	5	2,152.48	1,382.40	
(f) Financial assets				
(i) Other financial assets	6	3,755.81	2,103.93	1,319.34
(g) Current tax assets (net)		362.65	355.07	350.36
(h) Other non - current assets	7	5,055.43	8,455.24	6,444.36
2 Current assets				
(a) Inventories	8	94,790.31	67,168.81	53,960.92
(b) Financial assets				
(i) Investments	9	416.58	185.64	66.58
(ii) Trade receivables	10	2,100.24	841.63	707.26
(iii) Cash and cash equivalents	11	3,292.85	3,419.86	3,721.64
(iv) Bank Balances other than cash and cash equivalents	12	185,135.93	89.97	82.73
(v) Loans	13	106.98	97.50	86.93
(vi) Other financial assets	14	7,307.40	3,801.46	2,649.94
(c) Other current assets	15	4,710.25	3,368.16	2,164.37
Total Assets		582,251.17	310,155.21	235,630.09
II EQUITY AND LIABILITIES				
1 Equity				
a) Equity share capital	16	62,408.45	56,154.27	56,154.27
b) Other equity		321,770.07	95,889.74	63,841.74
Non-controlling Interest		14.53	9.95	5.43
2 Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	98,092.44	90,846.87	71,377.52
(ii) Other non - current liabilities	18	138.35	1,617.18	1,656.21
(b) Long term provisions	19	18.27	17.28	12.96
(c) Deferred tax liabilities (net)	20	5,050.48	3,986.51	3,046.70
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	13,884.78	12,856.93	4,193.57
(ii) Trade payables	22	26,066.48	19,444.17	12,200.54
(iii) Other financial liabilities	23	49,474.11	25,540.97	19,748.54
(b) Short term provisions	24	822.48	544.83	421.17
(c) Liability for current tax (Net)		1,245.52	1,248.96	1,423.21
(d) Other current liabilities	25	3,265.21	1,997.55	1,548.23
Total Equity and Liabilities		582,251.17	310,155.21	235,630.09

General Information & Significant Accounting Policies

1

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **Dalal & Shah LLP**

Firm Registration Number 102021W/ W100110
 Chartered Accountants

S. Venkatesh

Partner

Membership No.037942

For and on behalf of Board of Directors

Ignatius Navil Noronha
 Managing Director

Ramakant Baheti

Chief Financial Officer and Executive Director

Ashu Gupta
 Company Secretary

Thane, 6th May, 2017

Thane, 6th May, 2017

Statement of Consolidated Profit and Loss

	Note	Year ended 31 st March, 2017	(₹ in Lakhs) Year ended 31 st March, 2016
INCOME			
Revenue from Operations	26	1,189,769.56	858,375.92
Other Income	27	2,855.93	1,793.73
		1,192,625.49	860,169.65
EXPENSES			
Purchase of Stock-in-trade		1,035,725.06	743,561.67
Changes in Inventory	28	(27,621.50)	(13,207.89)
Employment Benefit Expense	29	19,251.15	14,903.82
Finance Costs	30	12,197.86	9,133.58
Depreciation and Amortisation Expense	31	12,781.86	9,842.83
Other Expenses	32	64,290.59	46,757.14
		1,116,625.02	810,991.15
Profit before share of loss of an associate			
Share of Net Loss of Associate	5	76,000.47	49,178.50
		(1,292.05)	(7.21)
Profit before tax			
Tax Expense		74,708.42	49,171.29
Current tax	33	25,608.41	16,194.20
Deferred tax charge/(credit)		1,062.35	939.63
Tax in respect of earlier years		157.85	13.21
		47,879.81	32,024.25
Profit for the year			
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans	47	124.55	43.22
Income tax/Deferred Tax relating to these items		(43.03)	(14.95)
		47,961.33	32,052.52
Profit for the year			
Attributable to:			
Equity holders of the parent		47,875.23	32,019.73
Non-controlling interests		4.58	4.52
		47,961.33	32,052.52
Attributable to:			
Equity holders of the parent		47,956.75	32,048.00
Non-controlling interests		4.58	4.52
Earnings per equity share of ₹ 10 each: (in ₹)			
Basic	43	8.49	5.70
Diluted		8.48	5.70

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

For Dalal & Shah LLP

Ignatius Navil Noronha

Firm Registration Number 102021W/ W100110
Chartered Accountants

Managing Director

S. Venkatesh

Ramakant Baheti

Partner

Chief Financial Officer and Executive Director

Membership No.037942

Ashu Gupta

Company Secretary

Thane, 6th May, 2017

Thane, 6th May, 2017

Statement of Consolidated Cash Flows

	Year ended 31 st March, 2017	Year ended 31 st March, 2016 (₹ in Lakhs)
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before share of loss of an associate	76,000.47	49,178.50
Adjustments for:		
Depreciation and amortization expenses	12,781.86	9,842.83
Finance cost	12,197.86	9,133.58
Dividend income	(1.90)	-
Interest income	(431.89)	(61.70)
Rent Income	(1,551.26)	(1,408.75)
Profit on sale of investments	(781.51)	(254.80)
Remeasurements of net defined benefit plans	124.55	43.22
Sundry balances write off	73.79	57.91
Expense on Employee Stock Option Scheme	116.22	-
(Profit)/ loss on sale of fixed assets (net)	85.09	84.60
	22,612.81	17,436.89
Operating profit before working capital changes	98,613.28	66,615.39
Adjustments for:		
Increase/(decrease) in trade payables	6,622.31	7,243.63
Increase/(decrease) in Short term provisions	277.65	123.66
Increase/(decrease) in Long term provisions	0.99	4.32
Increase/(decrease) in other current financial liabilities	1,455.87	1,877.26
Increase/(decrease) in other current liabilities	1,267.66	449.32
Increase/(decrease) in other non current Liabilities	(1,478.83)	(39.03)
(Increase)/decrease in trade receivables	(1,258.61)	(134.37)
(Increase)/decrease in inventories	(27,621.50)	(13,207.89)
(Increase)/decrease in other non current financial assets	(1,651.88)	(784.59)
(Increase)/decrease in Bank Balances other than cash and cash equivalents	(5.85)	(7.24)
(Increase)/decrease in current loans	(9.48)	(10.57)
(Increase)/decrease in other current financial assets	(3,192.82)	(1,145.24)
(Increase)/decrease in other current assets	(1,372.87)	(1,221.07)
	(26,967.36)	(6,851.81)
Cash (used in) / from operations	71,645.92	59,763.58
Direct taxes paid (net of refunds)	25,861.72	16,416.09
Net cash (used in) / from operating activities	45,784.20	43,347.49
CASH FLOW FROM INVESTING ACTIVITIES:		
Add: Inflows from investing activities		
Sale proceeds of property, plant and equipment	964.05	199.53
Interest Income	118.77	55.42
Dividend received from others	1.90	-
Rent Income received	1,551.26	1,408.75
Income received from investments	781.51	254.80
	3,417.49	1,918.50
Less: Outflows from investing activities		
Purchase of property, plant and equipment/ intangible assets/investment properties	(64,501.55)	(63,699.05)
Purchase of current investments (net)	(230.94)	(119.06)
IPO Proceeds in Bank pending utilisation	(185,040.11)	-
Investment in associate	(2,062.13)	(1,389.61)
	(251,834.73)	(65,207.72)
Net cash (used in) / from investing activities	(248,417.24)	(63,289.22)

Statement of Consolidated Cash Flows

	(₹ in Lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
CASH FLOW FROM FINANCING ACTIVITIES:		
Add: Inflows from financing activities		
Proceeds from issue of shares (net of IPO Expenses)	184,061.55	-
Proceeds from long term borrowings	20,000.00	(14,680.12)
Proceeds from Non convertible debentures	25,000.00	35,000.00
Proceeds of short term borrowings (net)	1,027.85	8,663.36
	230,089.40	28,983.24
Less: Outflows from financing activities		
Repayment of long term borrowings	(15,530.65)	-
Interest paid	(12,033.15)	(9,339.53)
	(27,563.80)	(9,339.53)
Cash (used in) / from financing activities	202,525.60	19,643.71
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(107.44)	(298.02)
Cash and cash equivalents at beginning of the year	3,400.10	3,698.12
Cash and bank balances at end of the year	3,292.66	3,400.10
Cash and cash equivalents as per above Comprises of the following		
Cash and cash equivalents (Refer Note : 11)	3,292.85	3,419.86
Bank Overdrawn (Refer Note : 23)	0.19	19.76
Balance as per Statement of cash flows	3,292.66	3,400.10

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

Notes:

- 1 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 **Dalal & Shah LLP**

Firm Registration Number 102021W/ W100110

Chartered Accountants

S. Venkatesh

Partner

Membership No.037942

For and on behalf of Board of Directors

Ignatius Navil Noronha

Managing Director

Ramakant Baheti

Chief Financial Officer and Executive Director

Ashu Gupta

Company Secretary

Thane, 6th May, 2017

Thane, 6th May, 2017

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

	Note	Amount in Lakhs
Equity Share of ₹ 10 each issued, subscribed and fully paid	16	
At 1 st April, 2015		56,154.27
At 31 st March, 2016		56,154.27
Issue of Share Capital		6,254.18
At 31st March, 2017		62,408.45

OTHER EQUITY

Note	Reserves and Surplus					(₹ in Lakhs)
	Securities Premium Reserve	Share Options Outstanding Account	Debenture Redemption Reserve	Retained Earnings	Total	
Balance as at 1st April, 2015	3,169.46	-	568.00	60,104.28	63,841.74	
Profit for the year	-	-	-	32,019.73	32,019.73	
Other Comprehensive Income for the year	-	-	-	28.27	28.27	
Total Comprehensive Income for the year	3,169.46	-	568.00	32,048.00	35,785.46	
Transfer to debenture redemption reserve	-	-	2,264.00	(2,264.00)	-	
Balance as at 31st March, 2016	3,169.46	-	2,832.00	89,888.28	95,889.74	
Profit for the year	-	-	-	47,875.23	47,875.23	
Other Comprehensive Income for the year	-	-	-	81.52	81.52	
Total Comprehensive Income for the year	3,169.46	-	2,832.00	47,956.75	143,846.49	
Initial public offering - Securities Premium received	16	180,745.82	-	-	-	-
Expenses relating to IPO	16	(2,938.45)	-	-	-	-
Employee stock option expense	46	-	116.21	-	-	-
Transfer to debenture redemption reserve	-	-	-	9,640.00	(9,640.00)	-
Balance as at 31st March, 2017	180,976.83	116.21	12,472.00	128,205.03	321,770.07	

Nature and purpose of reserve

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

Share options outstanding account

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

Debenture redemption reserve

The Company is required to create a debenture redemption reserves out of profit which is available for the purpose of redemption of debentures.

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

For Dalal & Shah LLP
 Firm Registration Number 102021W/ W100110
 Chartered Accountants

Ignatius Navil Noronha
 Managing Director

S. Venkatesh
 Partner
 Membership No.037942

Ramakant Baheti
 Chief Financial Officer and Executive Director

Thane, 6th May, 2017

Ashu Gupta
 Company Secretary
 Thane, 6th May, 2017

Notes

to the Consolidated Financial Statements

1 GENERAL INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

I. Corporate Information

Avenue Supermarts Limited ('the Group') is a Group limited by shares and is domiciled in India. The Group's registered office is at Anjaneya, Opp. Hiranandani Foundation School, Powai, Mumbai, Maharashtra India 400076. The Group is primarily engaged in the business of organized retail and operates supermarkets under the brand name of "D-Mart". Its equity shares are listed in India on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

II. Significant accounting policies

(a) Basis of preparation

1 (i) Compliance with Ind AS

These 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.

These financial statements for the year ended 31st March, 2017 are the first financials with comparatives prepared under Ind AS. For all previous periods including the year ended 31st March, 2016, the Group prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the date of transition to Ind AS.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;
- 3) share based payments.

(iii) Current or non-current classification

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained its operating cycle to be 12 months for the purpose of current or non-current classification of assets and liabilities.

(iv) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

2 (i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the company has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted

Notes

to the Consolidated Financial Statements

thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note (g) below.

(b) Use of estimates and judgments

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known / materialised.

(c) Investment in Subsidiaries and associate

Investments in subsidiaries and associate are accounted at cost in accordance with Ind AS 27.

(d) Property, plant and equipment

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 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.

Transition to Ind AS

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.

Depreciation on property, plant and equipment

Depreciation is provided to the extent of depreciable amount on written down value method over the useful life of asset as assessed by the management and the same is similar to the useful life 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.

Estimated useful life of assets are as follows:

Building - RCC - 60 Years, Non RCC 30 years

Plant & Equipment - 15 years

Computers - 3 years for end users / 6 years for servers and network

Furniture and Fixtures - 10 years

Vehicles - 8 years

Office Equipment - 5 years

Electrical Installations - 10 years

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

(e) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a written down value basis over the economic useful life estimated by the management.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its intangible assets recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Notes

to the Consolidated Financial Statements

Depreciation on intangible assets

Depreciation 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. Depreciation is charged on pro-rata basis for asset purchased / sold during the year.

Estimated useful life of assets are as follows:

Computer Software - 6 years
Trademarks - 5 - 10 years

(f) 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 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.

The Group depreciates its investment properties over the useful life which is similar to that of property, plant and equipment.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its investment properties recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

(g) Impairment of assets

The carrying amounts of other assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. After impairment, depreciation is

provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(h) Lease

As a lessee

Lease of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance lease. Finance lease are capitalized at the lease's inception at fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowing or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Further assets capitalised under finance lease are depreciated over estimated useful life, which are similar to that of property, plant and equipment. Leasehold land is depreciated over the period of the lease.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

The Group has leased certain tangible assets and such leases where the Group has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

(i) Cash and Cash Equivalents

For the purpose of presentation in the financial statements of cash flows, cash and cash equivalents includes cash on

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hand, deposits held at call with financial institution, other short term, highly liquid investments with original maturities of three month or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value, and the bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(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 all costs of purchase 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) Investments and other financial assets

(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:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and

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recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. A gain or loss on a debt investment that is subsequently measured at fair value through Statement of Profit and Loss and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented net in the Statement of Profit and Loss In the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

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

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

(iii) Impairment of financial assets

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

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

(m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the Group or the counterparty.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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(o) Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initiation is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash transferred or liabilities assumed, is recognised in the Statement of Profit and Loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(p) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

(q) Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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 interest expense.

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

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

(r) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Group and the revenue can be reliably measured and no significant uncertainty exists as to its realization or collection. Amount disclosed as revenue are net of returns, trade allowances, value added taxes and amount collected on behalf of third parties

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. It is the Group's policy to sell its products to the end customers with a right of return within 7 days. Accumulated experience is used to estimate and provide for such returns at the time of sales.

The property in the merchandise of third party consignment stock does not pass to the Group. However since, the sale of such stock forms a part of the activities of the Group, the gross sales values and cost of the merchandise are disclosed separately and form part of Revenue in the Statement of Profit and Loss.

Dividend

Dividend Income is recognised when right to receive the payment is established by the balance sheet date.

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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.

(s) 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.

(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

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 ₹ 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.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Share based payment

Share-based compensation benefits are provided to employees. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

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- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(t) Foreign currency transactions

(a) Functional and presentation currency:

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates. The Financial statements are presented in ₹, which is functional and presentational currency.

(b) Transaction and balances :

Foreign currency transactions are translated into functional currency using the exchange rate at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit and loss.

(u) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets are realised or the deferred income tax 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 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.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

(v) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

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.

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(w) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(x) Interest income:

Interest income from debt instruments is recognised using the effective interest rate method.

(y) Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal

the actual results. Management also need to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:
Estimation of useful life of asset - Refer Note : 2, 3 and 4

(z) 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, and makes strategic decisions.

(za) Dividends

Provision is made for the amount of any dividend declared being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

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	Land	Buildings	Leasehold Improvement	Plant & equipment	Computers	Furniture & fixtures	Vehicles	Office equipment	Electrical installations	Total	(₹ in Lakhs)
Gross Carrying amount											
Deemed cost as at 1 st April, 2015	34,873.13	22,930.03	80,930.95	332.91	3,318.82	984.17	4,074.65	337.13	545.63	4,081.54	152,408.96
Additions	12,254.79	8,300.65	33,806.97	1,140.02	2,720.73	1,178.31	3,324.21	229.61	572.96	2,942.10	66,470.34
Disposals/adjustment	-	7.27	0.17	132.82	29.49	49.03	16.83	12.72	-	44.43	292.76
Balance as at 31st March, 2016	47,127.92	31,230.68	114,730.65	1,472.76	5,906.73	2,132.99	7,349.83	549.91	1,105.86	6,978.21	218,586.54
Additions	19,686.65	6,353.68	20,773.44	983.98	3,263.17	1,144.97	3,757.80	78.91	529.83	2,544.11	59,116.51
Disposals/adjustment	-	28.69	-	360.32	237.31	303.09	11.11	61.12	80.36	1,082.01	-
Balance as at 31st March, 2017	66,814.57	37,584.36	135,475.40	2,456.74	8,809.58	3,040.65	10,304.53	617.70	1,574.56	9,442.96	276,621.05
Accumulated Depreciation											
Balance as at 1st April, 2015	-	-	-	-	-	-	-	-	-	-	-
Additions	375.21	4,404.91	66.47	791.82	764.38	1,363.69	144.39	-	328.91	1,433.42	9,693.20
Disposals/adjustment	-	0.12	-	8.77	1.17	6.50	2.60	3.89	1.28	-	24.33
Balance as at 31st March, 2016	-	375.21	4,404.79	66.47	783.05	763.21	1,377.19	141.79	325.02	1,432.14	9,668.87
Additions	-	450.04	5,790.56	247.11	1,117.55	853.11	1,952.31	140.34	418.01	1,646.07	12,595.10
Disposals/adjustment	-	-	1.75	0.01	13.11	3.91	8.07	-	5.16	4.59	36.59
Balance as at 31st March, 2017	-	805.25	10,193.60	313.57	1,887.49	1,612.41	3,321.43	282.13	737.88	3,073.62	22,227.38
Net carrying amount											
Balance as at 1st April, 2015	34,873.13	22,930.03	80,930.95	332.91	3,318.82	984.17	4,074.65	337.13	545.63	4,081.54	152,408.96
Balance as at 31st March, 2016	47,127.92	30,855.47	110,325.86	1,406.29	5,123.68	1,369.78	5,972.64	408.12	780.84	5,547.07	208,917.67
Balance as at 31st March, 2017	66,814.57	36,779.11	125,281.80	2,143.17	6,922.09	1,428.24	7,483.10	335.57	836.68	6,369.34	254,393.67

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Note:
 1 Leasehold Land includes following amounts paid as premium under Built Operate and Transfer (BOT) arrangement

	Land						Building constructed on the Land					
	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015		As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
Gross Block	1,519.37	1,519.37	1,519.37	1,519.37	1,519.37	1,519.37	4,524.01	4,342.03	4,342.03	4,342.03	4,342.03	1,517.86
Net Block	1,353.22	1,368.55	1,368.55	1,383.89	1,383.89	3,862.22	3,872.36	3,872.36	3,872.36	3,872.36	3,872.36	1,101.73

2 Land and Building value includes ₹ 7,480.54 Lakhs (31st March, 2016 : ₹ 15,802.85 Lakhs, 1st April, 2015 : ₹ 6,335.54 Lakhs) being property purchased, for which mutation is pending.

- 3 On transition to Ind AS, the Company 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 Property, Plant and Equipment.

The values as per previous GAAP as at 1st April, 2015 are as under:

	Land						Building constructed on the Land						
	Freehold		Leasehold		Buildings		Leasehold		Plant & equipment		Furniture & fixtures		Total
	Land	Freehold	Leasehold	Buildings	Improvement	Leasehold	Improvement	Computers	Office equipment	Vehicles	Fixtures	Electrical installations	(₹ in Lakhs)
Gross Block	34,873.13	24,496.75	94,959.80	511.40	5,128.17	3,015.79	9,045.60	615.36	1,250.14	8,148.82	182,044.96		
Less : Accumulated Depreciation	-	1,566.72	14,028.85	178.49	1,809.36	2,031.62	4,970.95	278.23	704.51	4,067.28	29,636.01		
Deemed cost as at 1 st April, 2015	34,873.13	22,930.03	80,930.95	332.91	3,318.81	984.17	4,074.65	337.13	545.63	4,081.54	152,408.95		

4 Freehold Land includes ₹ 1,065.35 Lakhs being the value of a land purchased by the Company at Nagpur from Pramod Walmandhare and others (the "Petitioners"), Petitioners have filed a special leave petition before the Supreme Court against Nagpur Improvement Trust and others (the "Respondents") challenging the order passed by the Bombay High Court and other regulatory authorities by virtue of which the ownership of the Petitioners of a property at Nagpur (the "Property") was set aside by the Bombay High Court. Various applications and petitions had been filed before the regulatory authorities and a writ petition had been filed before the Bombay High Court with respect to various claims made by the Respondents including incorrect identification of the Property in the name of the Respondents when the possession of the Property was allegedly with the Petitioner. Title deed for the said property is held in the name of the company.

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3 OTHER INTANGIBLE ASSETS

	(₹ in Lakhs)	Computer Software	Trademarks	Total
Gross Carrying amount				
Deemed cost as at 1 st April, 2015	398.49	0.86	399.35	
Additions	211.20	1.00	212.20	
Disposals/adjustment	16.09	-	16.09	
Balance as at 31st March, 2016	593.60	1.86	595.46	
Additions	430.89	-	430.89	
Disposals/adjustment	8.15	-	8.15	
Balance as at 31st March, 2017	1,016.34	1.86	1,018.20	
Accumulated Depreciation				
Balance as at 1 st April, 2015	-	-	-	
Additions	161.18	0.59	161.77	
Disposals/adjustment	0.39	-	0.39	
Balance as at 31st March, 2016	160.79	0.59	161.38	
Additions	216.76	0.42	217.18	
Disposals/adjustment	4.43	-	4.43	
Balance as at 31st March, 2017	373.12	1.01	374.13	
Net carrying amount				
Balance as at 1 st April, 2015	398.49	0.86	399.35	
Balance as at 31 st March, 2016	432.81	1.27	434.08	
Balance as at 31st March, 2017	643.22	0.85	644.07	

On transition to Ind As, the Company has elected to continue with the carrying value of all its intangible assets recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of other intangible assets.

The values as per previous GAAP as at 1st April, 2015 are as under:

	(₹ in Lakhs)	Computer Software	Trademarks	Total
Gross Block	1,167.27	1.57	1,168.84	
Less : Accumulated Depreciation	768.78	0.71	769.49	
Deemed cost as at 1st April, 2015	398.49	0.86	399.35	

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4 INVESTMENT PROPERTIES

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Gross Carrying amount			(₹ in Lakhs)
Opening gross carrying amount / Deemed cost	1,429.97	1,455.65	1,455.65
Additions	1,459.95	-	-
Disposals	-	(25.68)	-
Closing Gross carrying amount	2,889.92	1,429.97	1,455.65
Accumulated depreciation			
Opening accumulated depreciation	(64.88)	-	-
Additions	(87.88)	(64.88)	-
Disposals	-	-	-
Closing accumulated depreciation	(152.76)	(64.88)	-
Net carrying amount	2,737.16	1,365.09	1,455.65
(i) Amounts recognised in profit or loss for investment properties			
Rental income including contingent rent of ₹ 3.19 Lakhs (Previous year ₹ 3.00 Lakhs)	1,335.55	1,268.20	1,251.86
Direct operating expenses from property that generated rental income	149.17	110.49	130.36
Direct operating expenses from property that did not generate rental income	-	-	-
Income from investment properties before depreciation	1,186.38	1,157.71	1,121.50
Depreciation	87.88	64.88	68.19
Income from investment properties	1,098.50	1,092.83	1,053.31
(ii) Leasing arrangements			
Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:			
Within one year	1,210.05	1,214.62	1,286.13
Later than one year but not later than 5 years	752.37	1,337.86	1,797.00
Later than 5 years	-	36.12	259.04
	1,962.42	2,588.61	3,342.17
(iii) Fair value			
Investment properties	18,460.00	12,392.00	11,151.00

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.

(iv) On transition to Ind AS, the Company has elected to continue with the carrying value of all its Investment properties recognized as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of Investment properties.

The values as per previous GAAP as at 1st April, 2015 are as under:

	(₹ in Lakhs)
Gross Block	1,886.69
Less : Accumulated Depreciation	431.04
Deemed cost as at 1st April, 2015	1,455.65

Notes

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5 INVESTMENTS IN ASSOCIATE

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
A. Investment in Associate				
Unquoted				
Equity instruments at cost				
3,45,17,432 (31 st March, 2016 :1,38,96,075) shares of Avenue E-commerce Limited (Equity shares of ₹ 10/- each)	3,451.74	1,389.61	-	
Less : Share of accumulated loss	(1,299.26)	(7.21)	-	
Total (A)	2,152.48	1,382.40	-	
Aggregate amount of unquoted investments	2,152.48	1,382.40	-	
Aggregate amount of impairment in the value of investments	-	-	-	

6 OTHER NON-CURRENT FINANCIAL ASSETS

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Rent deposits given				
- Related parties (Refer Note : 34)	-	-	-	
- Others	1,626.71	1,038.28	591.99	
Other deposits	2,050.56	1,035.69	706.68	
Margin money deposits with banks (Held as lien by bank against bank guarantees)	68.25	29.34	20.10	
Long term deposits with banks with maturity period more than 12 months	10.29	0.62	0.57	
Total	3,755.81	2,103.93	1,319.34	

7 OTHER NON-CURRENT ASSETS

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Capital advances	5,055.43	8,455.24	6,444.36	
Total	5,055.43	8,455.24	6,444.36	

8 INVENTORIES

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Stock-in-trade	94,651.41	67,075.30	53,856.11	
Stock of Packing Material	138.90	93.51	104.81	
Total	94,790.31	67,168.81	53,960.92	

Notes

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9 CURRENT INVESTMENTS

	(₹ in Lakhs)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A. Investment in Mutual Funds			
Unquoted			
HDFC Liquid Fund - Growth (March, 2017: 12,327.71 units, March, 2016: 6,221.82 units) (Face Value ₹ 1,000/- per unit) & (April, 2015: 2,39,823.47 units) (Face Value ₹ 10/- per unit)	416.58	185.64	66.58
Total (A)	416.58	185.64	66.58
Aggregate amount of unquoted investments	416.58	185.64	66.58
Aggregate amount of impairment in the value of investment	-	-	-

10 TRADE RECEIVABLES

	(₹ in Lakhs)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A. Considered good			
Unsecured			
Related parties (Refer Note : 34)	75.92		
Other than related parties	2,024.32	841.63	707.26
Total (A)	2,100.24	841.63	707.26

11 CASH AND CASH EQUIVALENTS

	(₹ in Lakhs)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Cash on hand	915.86	757.07	1,272.01
Balances with Banks - In current accounts	2,359.76	2,658.87	2,448.22
Remittance in transit	17.23	3.92	1.41
Total	3,292.85	3,419.86	3,721.64

Cash and cash equivalents considered for cash flows

	(₹ in Lakhs)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Total Cash and cash equivalents	3,292.85	3,419.86	3,721.64
Less: Overdrwan bank balances (Refer Note : 23)	(0.19)	(19.76)	(23.52)
Cash and Cash Equivalents for cash flow purpose	3,292.66	3,400.10	3,698.12

12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	(₹ in Lakhs)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Margin money deposits with Bank (Held as lien by bank against guarantees)	95.76	89.97	82.73
Margin money deposits with Bank	0.06	-	-
IPO proceeds pending utilisation in (Refer Note : 16):			
- Current accounts (Escrow)	1,440.11	-	-
- Fixed deposits	183,600.00	-	-
Total	185,135.93	89.97	82.73

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13 CURRENT LOANS

	As at 31 st March, 2017	As at 31 st March, 2016	(₹ in Lakhs) As at 1 st April, 2015
(Unsecured, considered good)			
Loans to employees	106.98	97.50	86.93
Total	106.98	97.50	86.93

14 OTHER CURRENT FINANCIAL ASSETS

	As at 31 st March, 2017	As at 31 st March, 2016	(₹ in Lakhs) As at 1 st April, 2015
Advances recoverable in cash or in kind or in value to be received (Refer Note- for related parties)			
- Related parties (Refer Note : 34)	73.22	-	-
- Others	6,875.71	3,756.11	2,610.87
Interest receivable	358.47	45.35	39.07
Total	7,307.40	3,801.46	2,649.94

15 OTHER CURRENT ASSETS

	As at 31 st March, 2017	As at 31 st March, 2016	(₹ in Lakhs) As at 1 st April, 2015
Prepaid Expenses			
Advances to Suppliers	408.63	520.43	280.06
Balance with Government Authorities	3,946.47	2,610.20	1,698.04
Advances Recoverable in Cash or in Kind or in value to be received	353.66	204.24	167.24
Total	1.49	33.29	19.03

16 SHARE CAPITAL

	As at 31 st March, 2017	As at 31 st March, 2016	(₹ in Lakhs) As at 1 st April, 2015
A. Authorised			
75,00,00,000 [31 st March, 2016: 75,00,00,000 and 1 st April, 2015:75,00,00,000] Equity Shares of ₹ 10 each	75,000.00	75,000.00	75,000.00
Issued, subscribed and fully paid up			
6,24,084,486 [31 st March, 2016: 56,15,42,680 and 1 st April, 2015: 56,15,42,680] Equity Shares of ₹ 10 each	62,408.45	56,154.27	56,154.27
Total	62,408.45	56,154.27	56,154.27

Notes

to the Consolidated Financial Statements

Notes:

	As at 31 st March, 2017	As at 31 st March, 2016
a) Reconciliation of number of shares		
Balance at the beginning of the year		
No. of shares	56,15,42,680	56,15,42,680
Amount in ₹ Lakhs	56,154.27	56,154.27
Issued, subscribed and paid up during the year*		
No. of shares	6,25,41,806	-
Amount in ₹ Lakhs	6,254.18	-
Balance at the end of the year		
No. of shares	62,40,84,486	56,15,42,680
Amount in ₹ Lakhs	62,408.45	56,154.27

*IPO - Fresh issue of shares

The Company has completed the Initial Public offering (IPO) of fresh issue of 6,25,41,806 equity shares of ₹ 10 each at an issue price of ₹ 299 per share. The equity shares of the Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. 21st March, 2017.

Utilisation of IPO Proceeds are as follows:-

Particulars	Planned as per Prospectus	Utilisation upto 31 st March, 2017	Balance as at 31 st March, 2017	(₹ in Lakhs)
Towards repayment / payment of NCDs / Term Loans	108,000.00	-	108,000.00	
Construction and Purchase of fit outs for new stores	36,660.00	-	36,660.00	
Towards General Corporate purpose - Including expenses relating to IPO	42,340.00	1,959.89	40,380.11	
Total	187,000.00	1,959.89	185,040.11	

Expenses incurred by the Company aggregating to ₹ 2,938.45 Lakhs, in connection with IPO have been adjusted towards securities premium reserve.

b) Terms and rights attached to equity shares

Equity shares have a par value of ₹ 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

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 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, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Mr. Radha Kishan Damani	24,59,30,000	28,19,30,000	28,19,30,000
- % holding of shares	39.41%	50.21%	50.21%
Mr. Gopi Kishan Damani	5,09,80,000	7,49,80,000	7,49,80,000
- % holding of shares	8.17%	13.35%	13.35%
Bright Star Investments Private Limited	8,87,50,000	8,87,50,000	8,87,50,000
- % holding of shares	14.22%	15.80%	15.80%

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17 NON-CURRENT BORROWINGS

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Secured				
Term loans from banks	55,846.87	51,377.52	66,057.64	
Less : Current maturities (Refer Note : 23)	(17,654.43)	(15,530.65)	(14,680.12)	
	<u>38,192.44</u>	<u>35,846.87</u>	<u>51,377.52</u>	
Non convertible debentures	80,000.00	55,000.00	20,000.00	
Less : Current maturities (Refer Note : 23)	(20,100.00)	-	-	
	<u>59,900.00</u>	<u>55,000.00</u>	<u>20,000.00</u>	
Total	98,092.44	90,846.87	71,377.52	

Nature of Security and terms of repayment for borrowings:

Sr No	Nature of Security	Terms of Payment
1	Term loan are secured by way of mortgage of various stores properties to the banks. Charge creation against term loan amounting to ₹ 20,000 Lakhs obtained from HSBC is in process. Further for an amount aggregating ₹ 23,050 Lakhs, satisfaction of the charge with the Registrar of Companies is under process.	Repayable in 36 to 60 monthly installments. Last installment due in March, 2021. Rate of interest is ranging between 8.65% and 11.50% p.a. as at the year end.
2	The above term loans from banks are further secured by way of personal guarantees given by the promoters except in respect of outstanding loans of ₹ 21,050 Lakhs (Previous year : ₹ 6,200 Lakhs).	
3	Non convertible debentures (NCD) are secured by way of mortgage of specific store properties to the Debenture Trustee.	NCD for ₹ 80,000 Lakhs is repayable in 24 to 60 annual installments. Last installments are due in August 2020. Rate of interest is ranging between 8.25% and 10.38% p.a. as at the year end.
4	Current maturities of NCD includes ₹ 15,000 Lakhs, which the Company has planned to prepay before its scheduled repayment date during the financial year 2017-18, out of the IPO proceeds as per terms of the issuance.	

18 OTHER NON-CURRENT LIABILITIES

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Rent Deposits Taken - Related Parties	-	-	-	
Rent Deposits Taken - Others	138.35	1,617.18	1,656.21	
Total	138.35	1,617.18	1,656.21	

19 LONG TERM PROVISIONS

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Provision for employee benefits				
Gratuity (Refer Note : 47)	18.27	17.28	12.96	
Total	18.27	17.28	12.96	

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20 DEFERRED TAX LIABILITIES (NET)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Deferred tax liability on account of:			(₹ in Lakhs)
- Depreciation	5,368.92	4,139.89	3,158.47
Deferred tax Assets on account of:			
- Employee Benefits	201.84	153.38	111.77
- Unrealised profit on consolidation	116.60	-	-
Total	5,050.48	3,986.51	3,046.70

	Stock Reserve	Property Plant and Equipment	Employee Benefits	Total
At 1st April, 2015	-	3,158.47	(111.77)	3,046.70
Charged / (Credited) to				
Profit and Loss	-	981.42	(41.61)	939.81
Other Comprehensive income	-	-	-	-
At 31st March, 2016	-	4,139.89	(153.38)	3,986.51
Charged / (Credited) to				
Profit and Loss	(116.60)	1,229.03	(48.46)	1,063.97
Other Comprehensive income	-	-	-	-
At 31st March, 2017	(116.60)	5,368.92	(201.84)	5,050.48

21 CURRENT BORROWINGS

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A. Secured			
(a) Working capital loans from banks	13,884.78	7,856.93	4,193.57
(Working capital loan from banks are secured by hypothecation of inventories, books debts, both present & future)			
Unsecured			
(a) By issue of Commercial Papers	-	5,000.00	-
Total	13,884.78	12,856.93	4,193.57

The above working capital loans from banks are further secured by way of personal guarantees given by the promoters except in respect of an outstanding loan of ₹ 3,929.61 Lakhs (Previous year : ₹ 5,000.00 Lakhs).

22 TRADE PAYABLES

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Trade payables (Refer Note : 36)	26,066.48	19,444.17	12,200.54
Total	26,066.48	19,444.17	12,200.54

(a) Dues to Micro And Small Enterprises (Refer Note : 36)

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	65.48	80.36	18.75
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23 OTHER CURRENT FINANCIAL LIABILITIES

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Current maturities of term loans (Refer Note : 17)	17,654.43	15,530.65	14,680.12
Current maturities of debentures (Refer Note : 17)	20,100.00	-	-
Interest accrued but not due on borrowings	3,721.38	2,413.91	1,513.68
Escrow Deposits Received*	979.18	995.14	-
Overdrawn Bank Balances	0.19	19.76	23.52
Salary and Wages payable	2,033.36	2,116.41	1,172.39
Capital Creditors	3,311.65	4,346.06	2,177.89
Rent Deposits Taken due within a year	1,534.71	-	-
Other payables	139.21	119.04	180.94
Total	49,474.11	25,540.97	19,748.54

* Escrow deposits represents amount received for any possible claims that may arise in future in respect of certain properties.

24 SHORT TERM PROVISIONS

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Provision for employee benefits			
Gratuity (Refer Note : 47)	278.87	149.41	126.67
Leave Entitlement	543.61	395.42	294.50
Total	822.48	544.83	421.17

25 OTHER CURRENT LIABILITIES

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Statutory Dues	3,187.49	1,799.69	1,445.84
Revenue received in advance	77.72	197.86	102.39
Total	3,265.21	1,997.55	1,548.23

Notes

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26 REVENUE FROM OPERATIONS

	Year ended 31st March, 2017	Year ended 31st March, 2016
Sales of : Own Merchandise	1,272,429.16	914,774.27
Consignment Merchandise	8,644.69	8,825.86
	1,281,073.85	923,600.13
Less : Value Added Tax	(86,045.00)	(59,372.69)
Less : Cost of Consignment Merchandise	(7,570.13)	(7,678.19)
Other Operating Income	2,310.84	1,826.67
Total	1,189,769.56	858,375.92

27 OTHER INCOME

	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest	431.89	61.70
Rent and Amenities Service Income (Refer Note : 4 and 38)	1,551.26	1,408.75
Dividend Income on Current Investments	1.90	-
Profit on Sale of Current Investments*	781.51	254.80
Miscellaneous Income	89.37	68.48
Total	2,855.93	1,793.73

* Profit on sale of current investments includes fair value gain of ₹ 17.10 Lakhs, previous year ₹ NIL recognised as at the year end.

28 CHANGES IN INVENTORY

	Year ended 31st March, 2017	Year ended 31st March, 2016
Closing Stock	94,790.31	67,168.81
Opening Stock	67,168.81	53,960.92
Total	(27,621.50)	(13,207.89)

29 EMPLOYMENT BENEFIT EXPENSE

	Year ended 31st March, 2017	Year ended 31st March, 2016
Salaries, Allowances and Others	17,088.62	13,482.45
Expense on Employee Stock Option Scheme (Refer Note : 46)	116.22	-
Contribution to Provident Fund and Other Funds*	833.44	582.32
Employee Welfare Expenses	1,212.87	839.05
Total	19,251.15	14,903.82
* Contribution to Provident Fund (Defined contribution plan)		
Amount recognised in the Statement of Profit and Loss		
(i) Provident fund paid to the authorities	254.89	178.09
(ii) Pension fund paid to the authorities	578.55	404.23
Total	833.44	582.32

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30 FINANCE COSTS

	Year ended 31st March, 2017	Year ended 31st March, 2016	(₹ in Lakhs)
Interest on term loans from banks	5,936.49	6,395.35	
Interest on non convertible debentures	6,706.48	3,055.21	
Interest Others	653.44	750.53	
	<u>13,296.41</u>	<u>10,201.09</u>	
Less : Capitalised	(1,142.76)	(1,106.18)	
	<u>12,153.65</u>	<u>9,094.91</u>	
Finance Charges	44.21	38.67	
Total	12,197.86	9,133.58	

Note - The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the general borrowings during the year, in this case - 9.80% (31st March, 2016 - 10.48%)

31 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31st March, 2017	Year ended 31st March, 2016	(₹ in Lakhs)
Depreciation/ Amortisation on:			
- Tangible assets	12,595.10	9,693.20	
- Intangible assets	217.18	161.77	
- Investment Property	87.88	64.88	
	<u>12,900.16</u>	<u>9,919.85</u>	
Less : Capitalised	(118.30)	(77.02)	
Total	12,781.86	9,842.83	

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32 OTHER EXPENSES

	Year ended 31st March, 2017	(₹ in Lakhs) Year ended 31st March, 2016
Contract Labour Charges	29,417.22	20,903.68
Rent (Refer Note : 38)	3,542.39	2,038.84
Electricity & Fuel Charges	9,940.95	7,923.55
Insurance	222.59	71.52
Rates and Taxes	1,172.46	1,077.79
Repairs and Maintenance:		
- Building	1,112.09	901.44
- Plant and Machinery	1,670.67	1,214.66
- Others	1,089.52	1,116.28
Legal and Professional Fees	956.85	755.46
Travelling and Conveyance	1,164.92	886.88
Directors Fees	16.10	-
Payment to Auditors*		
- Audit Fees	35.53	35.41
- Other Services	28.15	0.35
- Reimbursement of Expenses	0.55	0.37
Donation Paid	3.81	3.56
Miscellaneous Expenses	12,999.15	9,191.83
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer Note : 41)	734.52	497.76
Sundry Balances written off	73.79	57.91
Loss due to Fire	37.07	-
Loss on sale/discardment of fixed assets (Net)	85.09	84.60
Exchange Loss / (Gain) (Net)	(12.83)	(4.75)
Total	64,290.59	46,757.14

* Excluding fees relating to IPO ₹ 126.50 Lakhs and reimbursement of expenses ₹ 1.15 Lakhs, both debited to securities premium reserve.

33 INCOME TAX EXPENSES

	Year ended 31st March, 2017	(₹ in Lakhs) Year ended 31st March, 2016
Tax expense recognized in the Statement of Profit and Loss		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	25,608.41	16,194.20
Adjustments for current tax of prior periods	157.85	13.21
Total current tax expense	25,766.26	16,207.41
Deferred tax		
(Decrease) / increase in deferred tax	1,062.35	939.63
Total deferred tax expense/(benefit)	1,062.35	939.63
Income tax expense	26,828.61	17,147.04
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before tax	76,000.47	49,178.50
Tax calculated at tax rates applicable to profit @ 34.61%	26,303.76	17,020.68
Differences due to:		
Donation / CSR	160.29	101.81
Adjustments for current tax of prior periods	157.85	13.21
Difference for income from house property	(139.94)	(131.23)
Difference in tax rates for certain entities of the group	(38.20)	(6.68)
Others	384.85	149.24
Total income tax expense/(credit)	26,828.61	17,147.04

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34 RELATED PARTY DISCLOSURES AS PER IND AS 24

a) Relationships

(i) Subsidiary Companies :

Avenue Food Plaza Private Limited
 Align Retail Trades Private Limited
 Nahar Seth & Jogani Developers Private Limited

(ii) Associate Enterprises

Avenue E-Commerce Limited

(iii) Shareholders who exercise control:

Mr. Gopikishan Damani
 Mr. Radhakishan Damani
 Mrs. Kirandevi Damani
 Mrs. Shrikantadevi Damani
 Bright Star Investments Private Limited

(iv) Directors :

Mr. Ramakant Baheti (Chief Financial Officer and Executive Director)
 Mr. Ignatius Navil Noronha (Managing Director)
 Mr. Ramesh Damani (Chairman and Independent Director)
 Mrs. Manjri Chandak (Non Executive Director)
 Mr. Elvin Machado (Executive Director)
 Mr. Chandrashekhar B. Bhave (Independent Director)

(v) Entities over which parties listed in (i) and (ii) above exercise control / significant influence and transactions have taken place with them during the period

7 Apple Hotels Private Limited
 Bombay Swadeshi Stores Limited

(vi) Trust :

Avenue Supermarts Limited Employees Group Gratuity Trust

b) Transaction with related parties

	Referred in (a) (i) above	Referred in (a) (ii) above	Referred in (a) (iii) above	Referred in (a) (iv) above	Referred in (a) (v) above	Referred in (a) (vi) above	(₹ in Lakhs)
Sales :							
Avenue E-Commerce Limited		141.27					
Expenses :							
Remuneration#							
- Mr. Ignatius Navil Noronha				347.72			
				(1,829.99)			
- Mr. Ramakant Baheti				77.70			
				(80.70)			
- Mr. Elvin Machado*				67.66			
				(52.51)			

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34 RELATED PARTY DISCLOSURES AS PER IND AS 24 (Contd.)

	Referred in (a) (i) above	Referred in (a) (ii) above	Referred in (a) (iii) above	Referred in (a) (iv) above	Referred in (a) (v) above	Referred in (a) (vi) above	(₹ in Lakhs)
Sitting Fees							
- Mrs. Manjri Chandak				5.75			(-)
- Mr.Ramesh Damani				5.75			(-)
- Mr. Chandrashekhar B. Bhave				4.60			(-)
Rent and Amenities Service income							
7 Apple Hotels Private Limited					61.87		(-)
Bombay Swadeshi Stores Limited					13.80		(-)
Avenue E-Commerce Limited		60.00					
		(-)					
Finance :							
Investment in Share Capital							
Avenue E-Commerce Limited		2,062.13					
		(1,389.61)					
Contribution to Trust							
Avenue Supermarts Limited Employees Group					149.42		
Gratuity Trust						(126.67)	

*Note : ESOP granted to Mr. Elvin Machado - 120000 under the ESOP Scheme 2016

Note : Compensation to Directors of the Company:

Nature of Benefit	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016	(₹ in Lakhs)
Short Term Employment Benefits	476.16	(1,909.26)	
Post Employment Benefits	45.71	(53.94)	
Sitting Fees	16.10	-	

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

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34 RELATED PARTY DISCLOSURES AS PER IND AS 24 (Contd.)

	Referred in (a) (i) above	Referred in (a) (ii) above	Referred in (a) (iii) above	Referred in (a) (iv) above	Referred in (a) (v) above	Referred in (a) (vi) above	(₹ in Lakhs)
Advances Recoverable in Cash or in Kind or in value to be received							
Avenue E-Commerce Limited	63.00	(-)	(-)				
Bombay Swadeshi Stores Limited					10.22	(-)	(-)
Trade receivable							
Avenue E-Commerce Limited	75.92	(-)	(-)				
Guarantee commitments (taken/given)				Refer Note below			

Guarantees taken by the Company from related parties :

Type of Loan	Referred in (a) (i) above	(₹ in Lakhs)
Secured Loans (Amount outstanding as at 31st March, 2017)		43,133.49
(Personal guarantees of Mr. Radhakishan Damani and Mr. Gopikishan Damani)		(51,546.39)

Figures in bracket represent previous year figures

35 ASSETS PLEDGED AS SECURITY

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

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current Assets			
Trade Receivables	2,100.24	841.63	707.26
Inventories	94,790.31	67,168.81	53,960.92
Total Current assets pledged as security	96,890.55	68,010.44	54,668.18
Non Current Assets			
First Charge			
Land	24,755.08	18,115.39	11,226.12
Building	68,180.10	58,984.82	43,145.66
Total non-current assets pledged as security	92,935.18	77,100.21	54,371.78
Total assets pledged as security	189,825.73	145,110.65	109,039.96

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36 MSME DISCLOSURE

The details of amounts outstanding to Micro and Small Enterprises under the Micro and Small Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
1 Principal amount not due and remaining unpaid	62.17	77.83	15.94	
2 Principal amount due and remaining unpaid	3.31	2.53	2.81	
3 Interest due on (1) above and the unpaid interest	0.10	1.04	0.43	
4 Interest paid on all delayed payments under the MSMED Act	-	-	-	
5 Payment made beyond the appointed day during the year	-	-	-	
6 Interest due and payable for the period of delay other than (3) above	0.10	1.04	0.43	
7 Interest accrued and remaining unpaid	-	-	-	
8 Amount of further interest remaining due and payable in succeeding years	-	-	-	

37 DISCLOSURES RELATING TO SPECIFIED BANK NOTES (SBNs) HELD AND TRANSACTED DURING THE PERIOD FROM 8TH NOVEMBER 2016 TO 30TH DECEMBER 2016

In respect of holding Company and subsidiaries:

	SBN	Other Denomination	Total	(₹ in Lakhs)
Closing cash in hand as on 8 th November, 2016	914.12	230.56	1,144.68	
+ Permitted Receipts	-	-	-	
(-) Permitted Payments	-	-	-	
(-) Amount deposited in banks	(914.12)	-	-	
Closing cash in hand as on 30 th December, 2016	-	-	-	

In respect of Associate:

	SBN	Other Denomination	Total	(₹ in Lakhs)
Closing cash in hand as on 8 th November, 2016	-	0.31	0.31	
+ Permitted Receipts	-	-	-	
(-) Permitted Payments	-	-	-	
(-) Amount deposited in banks	-	-	-	
Closing cash in hand as on 30 th December, 2016	-	-	-	

Specified Bank Notes is defined as bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees. The disclosures with respect to 'Permitted Receipts', 'Permitted Payments', 'Amount Deposited in Banks' and 'Closing cash in hand as on 30th December, 2016' is understood to be applicable in case of SBNs only.

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38 LEASE DISCLOSURE

Premises taken on operating lease :

	As at 31 st March, 2017	As at 31 st March, 2016	(₹ in Lakhs)
Lease rent Expenses recognized in the Profit and Loss Account of the current year	3,542.39	2,038.84	
The total future minimum lease rent payable at the Balance Sheet date :			
- For a period not later than one year	2,788.07	1,781.43	
- For a period later than one year and not later than 5 years	6,366.79	5,876.03	
-For a period later than five years	7.94	-	

Premises given on operating lease other than investment property:

	As at 31 st March, 2017	As at 31 st March, 2016	(₹ in Lakhs)
Lease rent Income recognized in the Profit and Loss Account of the current year Including contingent rent of ₹ 7.69 Lakhs(Previous Year ₹ 3 Lakhs)	38.20	21.59	
- For a period not later than one year	8.16	21.13	
- For a period later than one year and not later than 5 years	13.60	47.71	
-For a period later than five years	-	-	

Premises and fixed assets are given on operating lease for various agreement periods ranging from 3 years to 9 years.

Variable rent for certain stores is receivable in accordance with the lease agreement at the higher of (a) fixed minimum guarantee amount and (b) revenue share percentage.

39 COMMITMENT

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Estimated amounts of contracts remaining to be executed on capital account and not provided for (Net of advances)	70,223.67	49,758.41	38,214.19	
Estimated amount of contracts remaining to be executed on revenue account and not provided for	280.55	-	-	

40 CONTINGENT LIABILITIES

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Income Tax Matters	6.47	29.49	20.62	
Vat Matters	300.10	319.76	259.17	
Service Tax Matters	69.13	69.13	69.13	
Other Matters	63.12	63.12	51.82	

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.

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41 EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

	Year ended 31 st March, 2017	Year ended 31 st March, 2016 (₹ in Lakhs)
Amount required to be spent as per Section 135 of the Act	704.19	468.54
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	734.52	497.76
Total	734.52	497.76

- 42.** 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". Further, the company does not have revenue more than 10% of total revenue from a single customer.

43 EARNINGS PER SHARE

	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Earnings Per Share has been computed as under:		
Profit/(Loss) for the year attributable to equity shareholders of parent (in ₹ Lakhs)	47,875.23	32,019.73
Weighted average number of equity shares outstanding	56,39,41,544	56,15,42,680
Add:		
Weighted average number of potential equity shares on account of employee stock options	6,85,057	-
Weighted average number of Equity shares (including dilutive shares) outstanding	56,46,26,600	56,15,42,680
Earnings Per Share (₹) - Basic (Face value of ₹ 10 per share)	8.49	5.70
Earnings Per Share (₹) - Diluted (Face value of ₹ 10 per share)	8.48	5.70

- 44.** As per the requirement of Section 149 of the Companies Act, 2013 and the rules made thereunder, the holding company is required to appoint two independent directors. The Board of Directors, vide resolution dated 11th August, 2014, recognised Mr. Ramesh Damani as independent Director duly confirmed by vide shareholders approval at their meeting convened on 30th September, 2014. However, considering the business in which the holding company deals in the expertise required in various fields, the process of appointing on more independent directors was completed only on 17th May, 2016. Based on the holding Company's application to the Central Government, the delay has been compounded under the order of Ministry of Corporate Affairs.

45 (A) CAPITAL RISK MANAGEMENT

For the purpose of the Company'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 Company manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants. The Company has raised capital by issue of equity shares through an IPO (Refer Note :16). Certain proceeds from the IPO are proposed to be used for repayment of loans which shall significantly reduce the Company's borrowings.

(B) DIVIDENDS

The Company has not paid any dividend since its incorporation.

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46 SHARE-BASED PAYMENTS

Employee stock option plan

During the year, the Company has instituted an Avenue Supermarts Limited Employee Stock Option Scheme, 2016 ("the Scheme") as approved by the Board of Directors for issuance of stock option to eligible employee of the Company and of its subsidiaries.

Pursuant to the said scheme, Stock options convertible into 13,973,325 (Previous year Nil) equity shares of ₹ 10 each were granted to eligible employee at an exercise prices of ₹ 299/- being price at which fresh issue of shares made in IPO.

Subject to terms and condition of the Scheme, Options are classified into three categories.

	Option A	Option B	Option C
Vesting Period from date of Grant	9 years	6 years	2.5 years
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			

Summary of options granted

	As at 31 st March, 2017	
	Average exercise price per share option	Number of options
Opening balance	-	-
Granted during the year	299	13,973,325
Exercised during the year	299	-
Forfeited during the year	299	81,900
Closing balance		13,891,425
Vested		2,400

Expiry date and exercise prices of the share options outstanding at the end of the year:

Option	Grant date	Expiry date	Exercise price (₹)	Share options 31 st March, 2017
Option C 2.5 Years	14 th March, 2017	13 th September, 2019	299	6,137,025
Option B 6 Years	14 th March, 2017	13 th March, 2023	299	4,983,975
Option A 9 Years	14 th March, 2017	13 th March, 2026	299	2,768,025
Total				13,889,025

The model inputs for fair value of option granted during the year ended 31st March, 2017:

Inputs	Option A	Option B	Option C
Exercise Price	₹ 299/-	₹ 299/-	₹ 299/-
Dividend Yield	0%	0%	0%
Risk free Interest rate	6.98%	7.24%	6.77%

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

Fair value of options has been determined by an independent valuer (category I merchant banker) using Black Scholes model.

Expense arising from share based payments transactions - ₹ 116.22 Lakhs (Refer Note : 29)

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47 POST RETIREMENT BENEFIT PLANS

As per Actuarial Valuation as on 31st March, 2017, 2016 and 1st April, 2015 and recognised in the financial statements in respect of Employee Benefit Schemes:

A. Balance Sheet

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Gratuity:				
Present value of plan liabilities	1,071.73	729.35	540.79	
Fair value of plan assets	774.59	562.66	401.16	
Deficit/(Surplus) of funded plans	297.14	166.69	139.63	
Unfunded plans	-	-	-	
Net plan liability/ (asset)	297.14	166.69	139.63	

B. Movements in plan assets and plan liabilities

Gratuity:

	Year ended 31 st March, 2017			Year ended 31 st March, 2016		
	Plan Assets	Plan liabilities	Total	Plan Assets	Plan liabilities	Total
As at 1st April, 2015	(562.66)	729.35	166.69	(401.16)	540.79	139.63
Current service cost	-	169.61	169.61	-	128.80	128.80
Employee contributions	-	-	-	-	-	-
Return on plan assets excluding actual return on plan assets	(8.59)	-	(8.59)	(1.48)	-	(1.48)
Interest income	(53.92)	-	(53.92)	(33.35)	-	(33.35)
Interest cost	-	57.20	57.20	-	43.49	43.49
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	(10.10)	(10.10)
Actuarial (gain)/loss arising from changes in financial assumptions	-	59.34	59.34	-	8.06	8.06
Actuarial (gain)/loss arising from experience adjustments	-	73.80	73.80	-	46.74	46.74
Employer contributions	(149.42)	-	(149.42)	(126.67)	-	(126.67)
Benefit payments	-	(17.57)	(17.57)	-	(28.43)	(28.43)
As at 31st March, 2017	(774.59)	1,071.73	297.14	(562.66)	729.35	166.69

C. Statement of Profit and Loss

Gratuity:

	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Employee Benefit Expenses:	-	-
Current service cost	169.61	128.80
Finance cost/(income)	3.28	10.14
Net impact on the Profit / (Loss) before tax	172.89	138.94

Remeasurement of the net defined benefit liability:

Return on plan assets excluding actual return on plan assets	(8.59)	(1.48)
Actuarial gains/(losses) arising from changes in demographic assumption	-	(10.10)
Actuarial gains/(losses) arising from changes in financial assumption	59.34	8.06
Experience gains//(losses) arising on experience adjustments	73.80	46.74
Net impact on the other comprehensive income before tax	124.55	43.22

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D. Assets

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	(₹ in Lakhs)
Gratuity:				
Unquoted				
Insurer managed funds	774.59	562.66	401.16	
Total	774.59	562.66	401.16	

E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Gratuity:

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Financial Assumptions			
Discount rate	7.84%	8.04%	9.29%
Salary Escalation Rate	8.00%	8.00%	8.00%
Attrition	15.00%	15.00%	15.00%

Demographic Assumptions

Published rates under the Indian Assured Lives Mortality (2006-08) Ultimate.

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Gratuity:	As at 31 st March, 2017			As at 31 st March, 2016		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(53.72)	61.45	1%	(33.50)	38.51
Salary Escalation Rate	1%	62.37	(56.86)	1%	43.93	(39.72)
Attrition Rate	1%	(10.83)	11.45	1%	(5.27)	5.42

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

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G. The defined benefit obligations shall mature after year end 31st March, 2017 as follows:
Gratuity:

Year	Defined benefit obligation		(₹ in Lakhs)
	As at 31 st March, 2017	As at 31 st March, 2016	
2017	118.60	78.04	
2018	115.23	82.78	
2019	117.62	91.82	
2020	120.53	85.64	
2021	120.36	84.75	
Sum of years 6 to 10	478.47	339.22	

48 FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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.

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 short term 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.

Exposure to interest rate risk

Particulars	(₹ in Lakhs)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Borrowings bearing variable rate of interest	13,884.78	12,856.93	4,193.57

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 Company'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 Lakhs)	
	2016-2017	2015-2016
50 bp increase- decrease in profits	(5.59)	(4.42)
50 bp decrease- Increase in profits	5.59	4.42

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flow of an exposure will fluctuate because of change in foreign exchange rates. The Group's exposure to risk of changes in foreign exchange rates primarily relates to its import activity with respect to US\$.

The Company believes that its business operating model is capable of managing its exposure to foreign exchange risk and hence the Company does not hedge its foreign commercial transaction.

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Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and other exchange rates, with all other variable held constant. The impact on the Group's profit before tax is due to change in foreign exchange rate for its import activity and unable to recover the same through price increase.

A change of 1% in Foreign currency would have following Impact on profit before tax

	(₹ in Lakhs)			
	2016-2017		2015-2016	
	5% Increase	5% decrease	5% Increase	5% decrease
USD - Traded goods	1,322.68	(1,322.68)	916.55	(916.55)
Increase / (decrease) in Profit before Tax	1,322.68	(1,322.68)	916.55	(916.55)
USD - Capital goods	12.05	(12.05)	12.03	(12.03)
Impact on Cost of Capital Goods	12.05	(12.05)	12.03	(12.03)

Credit risk

Credit risk is the risk that counter party 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. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

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

Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time, or at a reasonable price. Processes and policies related to such risk are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity patterns of borrowings

	As at 31 st March, 2017			(₹ in Lakhs)
	0-1 years	1-5 years	beyond 5 years	
Long term borrowings (Including current maturity of long term debt)	37,754.43	98,092.44	-	135,846.87
Short term borrowings	13,884.78	-	-	13,884.78
Expected Interest payable	7,254.04	6,463.42	-	13,717.46
Total	58,893.25	104,555.86	-	163,449.11

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	As at 31 st March, 2016			(₹ in Lakhs)
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	15,530.65	90,846.87	-	106,377.52
Short term borrowings	12,856.93	-	-	12,856.93
Expected Interest payable	6,139.69	8,278.20	-	14,417.89
Total	34,527.27	99,125.07	-	133,652.34

	As at 1 st April, 2015			(₹ in Lakhs)
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	14,680.12	71,377.52	-	86,057.64
Short term borrowings	4,193.57	-	-	4,193.57
Expected Interest payable	6,854.73	11,399.10	-	18,253.82
Total	25,728.42	82,776.62	-	108,505.03

Maturity patterns of other Financial Liabilities

As at 31st March, 2017

	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	(₹ in Lakhs)
						Total
Trade Payable	26,066.48	-	-	-	-	26,066.48
Payable related to Capital goods	3,311.65	-	-	-	-	3,311.65
Other Financial liabilities (Current and Non Current)	8,408.03	-	-	-	138.35	8,546.38
Total	37,786.16	-	-	-	138.35	37,924.51

As at 31st March, 2016

	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	(₹ in Lakhs)
						Total
Trade Payable	19,444.17	-	-	-	-	19,444.17
Payable related to Capital goods	4,346.06	-	-	-	-	4,346.06
Other Financial liabilities (Current and Non Current)	5,664.26	-	-	-	1,617.18	7,281.44
Total	29,454.49	-	-	-	1,617.18	31,071.67

As at 1st April, 2015

	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	(₹ in Lakhs)
						Total
Trade Payable	12,200.54	-	-	-	-	12,200.54
Payable related to Capital goods	2,177.89	-	-	-	-	2,177.89
Other Financial liabilities (Current and Non Current)	2,890.53	-	-	-	1,656.21	4,546.74
Total	17,268.96	-	-	-	1,656.21	18,925.17

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49 FIRST TIME ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2015. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended 31st March, 2017, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions

(a) Deemed Cost

The Company has opted and accordingly considered the carrying value of property, plant and equipment, Intangible assets and investment properties deemed cost as at transition date.

(b) Investments in subsidiaries and associate

The Company has opted para D14 and D15 and accordingly considered the cost of Investments as deemed cost as at transition date.

B. Mandatory Exceptions

(a) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Balance sheet as at 1st April, 2015 (Transition Date)
- II. A. Reconciliation of Balance sheet as at 31st March, 2016
 - B. Reconciliation of Statement of total Comprehensive Income for the year ended 31st March, 2016
- III. Reconciliation of Equity as at 1st April, 2015 and 31st March, 2016
- IV. Adjustments to Statement of Cash Flows

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

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I. Reconciliation of Balance sheet as at 1st April, 2015

(₹ in Lakhs)

	Previous GAAP	Regrouping **	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	56,154.27	-	56,154.27	-	56,154.27
Other Equity	63,841.74	-	63,841.74	-	63,841.74
Non-controlling Interest	5.43	-	5.43		5.43
LIABILITIES					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	71,377.52	-	71,377.52	-	71,377.52
(ii) Other non-current liabilities	1,608.40	47.81	1,656.21	-	1,656.21
Long term provisions	12.96	-	12.96		12.96
Deferred tax liabilities (Net)	3046.7	-	3,046.70	-	3,046.70
Current liabilities					
Financial Liabilities					
(i) Borrowings	4,368.57	(175.00)	4,193.57	-	4,193.57
(ii) Trade payables	11,863.59	336.95	12,200.54	-	12,200.54
(iii) Other financial liabilities	-	19,748.54	19,748.54	-	19,748.54
Short term Provisions	1,767.27	(1,346.10)	421.17	-	421.17
Liabilities for current tax (Net)	-	1,423.21	1,423.21	-	1,423.21
Other current liabilities	21,434.97	(19,886.74)	1,548.23	-	1,548.23
Total	235,481.42	148.67	235,630.09	-	235,630.09
ASSETS					
Non-current assets					
Property, Plant and Equipment	152,408.96	-	152,408.96	-	152,408.96
Capital work-in-progress	9,811.70	-	9,811.70	-	9,811.70
Investment Property	1,455.65	-	1,455.65	-	1,455.65
Other Intangible assets	399.35	-	399.35		399.35
Investments in associate		-	-	-	-
Financial Assets		-	-	-	-
(i) Other financial assets	8,016.30	(6,696.96)	1,319.34	-	1,319.34
Current Tax Assets (Net)	-	350.36	350.36	-	350.36
Other non-current assets	20.67	6,423.69	6,444.36	-	6,444.36
Current assets					
Inventories	53,960.92	-	53,960.92	-	53,960.92
Financial Assets					
Investments	66.58	-	66.58	-	66.58
Trade receivables	707.26	-	707.26	-	707.26
Cash and cash equivalents	3,804.37	(82.73)	3,721.64	-	3,721.64
Bank Balances other than cash and cash equivalent	-	82.73	82.73	-	82.73
Loans		86.93	86.93	-	86.93
Other financial assets	-	2,649.94	2,649.94	-	2,649.94
Other current assets	4,829.66	(2,665.29)	2,164.37	-	2,164.37
Total	235,481.42	148.67	235,630.09	-	235,630.09

As per Para (10) of Ind AS 101 requires an entity reclassify items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs. Accordingly, assets and liabilities which are different types of assets and liabilities in IND AS were reclassified as at transition date.

Notes

to the Consolidated Financial Statements

II. A. Reconciliation of Balance Sheet as at 31st March, 2016

(₹ in Lakhs)

	Previous GAAP	Regrouping **	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	56,154.27	-	56,154.27	-	56,154.27
Other Equity	95,889.74	-	95,889.74	-	95,889.74
Non-controlling Interest	9.95	-	9.95	-	9.95
LIABILITIES					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	90,846.87	-	90,846.87	-	90,846.87
(ii) Other non-current liabilities	1,617.18	-	1,617.18	-	1,617.18
Long term provisions	17.28				17.28
Deferred tax liabilities (Net)	3,986.51	-	3,986.51	-	3,986.51
Current liabilities					
Financial Liabilities					
(i) Borrowings	12,969.93	(113.00)	12,856.93	-	12,856.93
(ii) Trade payables	19,182.07	262.10	19,444.17	-	19,444.17
(ii) Other financial liabilities	-	25,540.97	25,540.97	-	25,540.97
Short term Provisions	1,646.00	(1,101.17)	544.83	-	544.83
Liabilities for current tax (Net)	-	1,248.96	1,248.96	-	1,248.96
Other current liabilities	27,699.68	(25,702.13)	1,997.55	-	1,997.55
Total	310,019.48	135.73	310,137.93	-	310,155.21
ASSETS					
Non-current assets					
Property, Plant and Equipment	208,917.67	-	208,917.67	-	208,917.67
Capital work-in-progress	8,168.70	-	8,168.70	-	8,168.70
Investment Property	1,365.09	-	1,365.09	-	1,365.09
Intangible assets	434.08	-	434.08	-	434.08
Investments in associate	-	1,382.40	1,382.40	-	1,382.40
Financial Assets					
(i) Investments	1,382.43	(1,382.43)	-	-	-
(i) Other financial assets	10,736.08	(8,632.15)	2,103.93	-	2,103.93
Current Tax Assets (Net)	-	355.07	355.07	-	355.07
Other non-current assets	29.96	8,425.28	8,455.24	-	8,455.24
Current assets					
Inventories	67,168.81	-	67,168.81	-	67,168.81
Financial Assets					
Investments	185.64	-	185.64	-	185.64
Trade receivables	841.64	(0.01)	841.63	-	841.63
Cash and cash equivalents	3,509.83	(89.97)	3,419.86	-	3,419.86
Bank Balances other than cash and cash equivalent	-	89.97	89.97	-	89.97
Loans	-	97.50	97.50	-	97.50
Other financial assets	-	3,801.46	3,801.46	-	3,801.46
Other current assets	7,279.55	(3,911.39)	3,368.16	-	3,368.16
Total	310,019.48	135.73	310,155.21	-	310,155.21

Notes

to the Consolidated Financial Statements

II B.Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016

(₹ in Lakhs)

	Previous GAAP	Regrouping **	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
Revenue from Operations	858,811.82	(435.90)	858,375.92	-	858,375.92
Other Income	1,798.48	(4.75)	1,793.73	-	1,793.73
Total	860,610.30	(440.65)	860,169.65	-	860,169.65
Expenses					
Purchases of Stock-in-Trade	743,985.26	(423.59)	743,561.67	-	743,561.67
Changes in inventories Stock-in-Trade	(13,207.89)	-	(13,207.89)	-	(13,207.89)
Employee benefits expense	14,860.60	43.22	14,903.82	-	14,903.82
Finance costs	9,082.39	51.19	9,133.58	-	9,133.58
Depreciation and amortization expense	9,842.83	-	9,842.83	-	9,842.83
Other Expenses	46,825.39	(68.25)	46,757.14	-	46,757.14
Total	811,388.58	(397.43)	810,991.15	-	810,991.15
Share of Net Loss of Associate	(7.21)	-	(7.21)	-	(7.21)
Profit before tax	49,214.51	(43.22)	49,178.50	-	49,171.29
Tax expense					
Current tax	16,208.97	(14.77)	16,194.20	-	16,194.20
Deferred tax charge /credit)	939.81	(0.18)	939.63	-	939.63
Tax in respect of earlier years	13.21	-	13.21	-	13.21
Profit for the year (A)	32,052.52	(28.27)	32,031.46	-	32,024.25
Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
Remeasurements of net defined benefit plans	-	43.22	43.22	-	43.22
Income tax relating to above	-	(14.95)	(14.95)	-	(14.95)
Other Comprehensive Income for the year (B)	-	28.27	28.27	-	28.27
Total Comprehensive Income for the year (A+B)	32,052.52	-	32,059.73	-	32,052.52
Less					
Non Controlling Interest	4.52	-	4.52	-	4.52
Equity Holder of Parent	32,048.00	(28.27)	32,019.73	-	32,019.73

(₹ in Lakhs)

As at
31st March, 2016

III A Reconciliation of Equity	
Total equity(shareholder's fund) under previous GAAP	152,044.01
Adjustments impact: Gain/ (Loss)	
Others	-
Total IND AS adjustment	-
Total equity under Ind AS	152,044.01
There are no reconciling items between the equity as of 31 st March, 2016,as previously reported and as per Ind AS.	
III B Reconciliation of Income Statement	
Profit after tax under previous GAAP	32,052.52
Adjustments Gain/ (Loss)	
Remeasurements of net defined benefit plans	43.22
Income tax relating to above	(14.95)
Total IND AS Impact	28.27
Total profit under Ind AS	32,024.25

Notes

to the Consolidated Financial Statements

III C Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2016

	Previous GAAP	Ind AS adjustments	Ind AS
Net cash flow from operating activities	43,324.40	23.09	43,347.49
Net cash flow from investing activities	(63,289.65)	0.43	(63,289.22)
Net cash flow from financing activities	19,623.95	19.76	19,643.71
Net increase/(decrease) in cash and cash equivalents	(341.30)	43.28	(298.02)
Cash and cash equivalents as at 1 st April, 2015	3,745.17	(47.05)	3,698.12
Cash and cash equivalents as at 31 st March, 2016	3,419.86	(19.76)	3,400.10

Notes to first time adoption

The following explains the material adjustments made while transition from previous accounting standards to IND AS,

- A** As required under Paragraph (10C) of Ind AS 101 the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.
- B** Remeasurements of post employment benefit obligation
 Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended 31st March, 2016 increase by ₹ 42.69 Lakhs There is no impact on the total equity as at 1st April, 2015.
- C** **Bank Overdrafts**
 Under Ind AS, bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities. Consequently, cash and cash equivalents have reduced by ₹ 19.76 Lakhs as at 31st March 2016 (1st April, 2015 – ₹ 23.52 Lakhs) and cash flows from financing activities for the year ended 31st March, 2017 have also reduced by ₹ 0.19 Lakhs to the effect of the movements in bank overdrafts.

50 FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

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.

Notes

to the Consolidated Financial Statements

Financial Assets and Liabilities as at 31 st March, 2017										(₹ in Lakhs)												
		Non Current			Total			Level 1			Level 2			Level 3			Routed through Profit & Loss			Carried at Amortised Cost		
Financial Assets																				Total	Amount	
Investment																						
- Investments in MF	-	416.58	416.58	416.58	416.58	-	-	416.58	-	-	-	-	-	-	-	-	-	-	416.58			
Trade Receivables	-	2,100.24	2,100.24	2,100.24	2,100.24	-	-	-	-	-	-	-	-	-	-	-	-	-	2,100.24			
Cash and Cash Equivalents	-	3,292.85	3,292.85	3,292.85	3,292.85	-	-	-	-	-	-	-	-	-	-	-	-	-	3,292.85			
Bank Balances other than Cash and Cash Equivalents	-	185,135.93	185,135.93	185,135.93	185,135.93	-	-	-	-	-	-	-	-	-	-	-	-	-	185,135.93			
Leans	-	106.98	106.98	106.98	106.98	-	-	-	-	-	-	-	-	-	-	-	-	-	106.98			
Other Financial Assets	-	7,307.40	7,307.40	7,307.40	7,307.40	-	-	-	-	-	-	-	-	-	-	-	-	-	7,307.40			
- Rent Deposit Given	-	1,626.71	1,626.71	1,626.71	1,626.71	-	-	-	-	-	-	-	-	-	-	-	-	-	1,626.71			
Other Deposit	-	2,050.56	2,050.56	2,050.56	2,050.56	-	-	-	-	-	-	-	-	-	-	-	-	-	2,050.56			
- Margin Money Deposits with Banks	-	68.25	68.25	68.25	68.25	-	-	-	-	-	-	-	-	-	-	-	-	-	68.25			
- Long term deposits with banks with maturity period more than 12 months	-	10.29	10.29	10.29	10.29	-	-	-	-	-	-	-	-	-	-	-	-	-	10.29			
		3,755.81	198,359.98	202,115.79	416.58	-	-	416.58	-	-	-	-	-	-	-	-	-	201,699.21	202,115.79			

Financial Assets and Liabilities as at 31 st March, 2016										(₹ in Lakhs)												
		Non Current			Total			Level 1			Level 2			Level 3			Routed through OCI			Carried at Amortised Cost		
Financial Assets																				Total	Amount	
Investment																						
- Investments in MF	-	185.64	185.64	185.64	185.64	-	-	185.64	-	-	-	-	-	-	-	-	-	-	185.64			
Trade Receivables	-	841.63	841.63	841.63	841.63	-	-	-	-	-	-	-	-	-	-	-	-	-	841.63			
Cash and Cash Equivalents	-	3,419.86	3,419.86	3,419.86	3,419.86	-	-	-	-	-	-	-	-	-	-	-	-	-	3,419.86			
Bank Balances other than Cash and Cash Equivalents	-	89.97	89.97	89.97	89.97	-	-	-	-	-	-	-	-	-	-	-	-	-	89.97			
Leans	-	97.50	97.50	97.50	97.50	-	-	-	-	-	-	-	-	-	-	-	-	-	97.50			
Other Financial Assets	-	3,801.46	3,801.46	3,801.46	3,801.46	-	-	-	-	-	-	-	-	-	-	-	-	-	3,801.46			
- Rent Deposit Taken	-	1,038.28	1,038.28	1,038.28	1,038.28	-	-	-	-	-	-	-	-	-	-	-	-	-	1,038.28			
Other Deposit	-	1,035.69	1,035.69	1,035.69	1,035.69	-	-	-	-	-	-	-	-	-	-	-	-	-	1,035.69			
- Margin Money Deposits with Banks	-	29.34	29.34	29.34	29.34	-	-	-	-	-	-	-	-	-	-	-	-	-	29.34			
- Long term deposits with banks with maturity period more than 12 months	-	0.62	0.62	0.62	0.62	-	-	-	-	-	-	-	-	-	-	-	-	-	0.62			
		2,103.93	8,486.06	10,539.99	185.64	-	-	185.64	-	-	-	-	-	-	-	-	-	10,354.35	10,539.99			

Financial Assets and Liabilities as at 31 st March, 2016										(₹ in Lakhs)												
		Non Current			Total			Level 1			Level 2			Level 3			Routed through OCI			Carried at Amortised Cost		
Financial Assets																				Total	Amount	
Investment																						
- Investments in MF	-	103,703.50	103,703.50	103,703.50	103,703.50	-	-	-	-	-	-	-	-	-	-	-	-	-	103,703.50			
Trade Receivables	-	90,846.87	12,886.93	103,703.50	103,703.50	-	-	-	-	-	-	-	-	-	-	-	-	-	103,703.50			
Cash and Cash Equivalents	-	1,617.18	1,617.18	1,617.18	1,617.18	-	-	-	-	-	-	-	-	-	-	-	-	-	1,617.18			
Bank Balances other than Cash and Cash Equivalents	-	19,441.17	25,540.97	19,441.17	25,540.97	-	-	-	-	-	-	-	-	-	-	-	-	-	19,441.17			
Leans	-	92,464.05	57,842.07	150,306.12	150,306.12	-	-	-	-	-	-	-	-	-	-	-	-	-	150,306.12			
Other Financial Assets	-	1,035.69	1,035.69	1,035.69	1,035.69	-	-	-	-	-	-	-	-	-	-	-	-	-	1,035.69			
- Rent Deposit Taken	-	1,035.69	1,035.69	1,035.69	1,035.69	-	-	-	-	-	-	-	-	-	-	-	-	-	1,035.69			
Trade Payables	-	19,441.17	25,540.97	19,441.17	25,540.97	-	-	-	-	-	-	-	-	-	-	-	-	-	25,540.97			
Other Liabilities	-	92,464.05	57,842.07	150,306.12	150,306.12	-	-	-	-	-	-	-	-	-	-	-	-	-	150,306.12			

Notes

to the Consolidated Financial Statements

	Financial Assets and Liabilities as at 1 st April, 2015			Routed through Profit & Loss			Routed through OCI			Carried at Amortised Cost			(₹ in Lakhs)			
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Amount
Financial Assets																
Investment																
- Investments in MF	-	66.58	66.58	66.58	-	66.58	-	-	-	-	-	-	-	-	-	66.58
Trade Receivables	-	707.26	707.26	707.26	-	-	-	-	-	-	-	-	-	-	707.26	707.26
Cash and Cash Equivalents	-	3,721.64	3,721.64	3,721.64	-	-	-	-	-	-	-	-	-	-	3,721.64	3,721.64
Bank Balances other than Cash and Cash Equivalents	-	82.73	82.73	82.73	-	-	-	-	-	-	-	-	-	-	82.73	82.73
Leans	-	86.93	86.93	86.93	-	-	-	-	-	-	-	-	-	-	86.93	86.93
Other Financial Assets	-	2,649.94	2,649.94	2,649.94	-	-	-	-	-	-	-	-	-	-	2,649.94	2,649.94
Other Assets																
- Rent Deposit Given	-	591.99	591.99	591.99	-	-	-	-	-	-	-	-	-	-	591.99	591.99
- Other Deposit	-	706.68	706.68	706.68	-	-	-	-	-	-	-	-	-	-	706.68	706.68
- Margin Money Deposits with Banks	-	20.10	20.10	20.10	-	-	-	-	-	-	-	-	-	-	20.10	20.10
- Long term deposits with banks with maturity period more than 12 months	-	0.57	0.57	0.57	-	-	-	-	-	-	-	-	-	-	0.57	0.57
	1,319.34	7,315.08	8,634.42	66.58	-	66.58	-	-	-	-	-	-	-	-	8,567.84	8,567.84
Financial Liabilities																
Borrowings		71,377.52	4,193.57	75,571.09	-	-	-	-	-	-	-	-	-	-	75,571.09	75,571.09
Other Financial Liabilities																
- Rent deposit Taken	-	1,656.21	-	1,656.21	-	-	-	-	-	-	-	-	-	-	1,656.21	1,656.21
Trade Payables	-	12,200.54	12,200.54	12,200.54	-	-	-	-	-	-	-	-	-	-	12,200.54	12,200.54
Other Liabilities	-	19,748.54	19,748.54	19,748.54	-	-	-	-	-	-	-	-	-	-	19,748.54	19,748.54
	73,033.73	36,142.65	109,176.38	-	-	-	-	-	-	-	-	-	-	-	109,176.38	109,176.38

Notes

to the Consolidated Financial Statements

Fair Value of Financial Assets and liabilities measured at amortised cost

	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Assets						
Investment						
- Investments in MF	416.58	416.58	185.64	185.64	66.58	66.58
- Rent deposit Given	1,626.71	1,626.71	1038.28	1038.28	591.99	591.99
- Other Deposit	2,050.56	2,050.56	1035.69	1035.69	706.68	706.68
	4,093.85	4,093.85	2,259.61	2,259.61	1,365.25	1,365.25
Financial Liabilities						
Borrowings	149,731.65	175,802.80	119,234.45	134,043.67	90,251.21	97,414.78
- Rent deposit Taken	1,673.06	1,673.06	1617.18	1,617.18	1,656.21	1,656.21
	151,404.71	177,475.86	120,851.63	135,660.85	91,907.42	99,070.99

Valuation techniques used for Fair valuations of Financial assets which are fair valued

Level 1:- Financial assets catagorised in level 1, are fair valued based on market data as at reporting date.

51 INTEREST IN OTHER ENTITIES

The Consolidated Financial Statements present the Consolidated Accounts of Avenue Supermarts Limited with its following Subsidiaries and Associate:

Name	Country of Incorporation	Ownership Interest (%)		
		As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A. Subsidiaries				
Avenue Food Plaza Private Limited	India	100%	100%	100%
Align Retail Trades Private Limited	India	100%	100%	100%
Nahar Seth & Jogani Developers Private Limited	India	90%	90%	90%
B. Associate Enterprises				
Avenue E-Commerce Limited	India	49.21%	44.47%	-

Summarised Financial Information

	Associate Enterprise - Avenue E-Commerce Limited		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
(A) Non Current Assets	1,941.57	1,338.24	-
(B) Current Assets			
i) Financial Assets	448.80	121.19	-
ii) Non - Financial Assets	60.28	36.07	-
Total Current Assets	509.08	157.26	-
Total Assets (A+B)	2,450.65	1,495.50	-
(A) Non Current Liabilities			
i) Financial Liabilities	-	-	-
ii) Non - Financial Liabilities	22.04	-	-

Notes

to the Consolidated Financial Statements

Summarised Financial Information (Contd.)

	Associate Enterprise - Avenue E-Commerce Limited		
	As at	As at	As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Total Non Current Liabilities	22.04	-	-
(B) Current Liabilities			
i) Financial Liabilities	20.32	20.97	-
ii) Non - Financial Liabilities	255.81	92.13	-
Total Current Liabilities	276.13	113.10	-
Total Liabilities (A+B)	298.17	113.10	-
Net Assets	2,152.48	1,382.40	-

For contingency and Commitment of Associate Refer Note : 39

Summarised Performance

	Associate Enterprise - Avenue E-Commerce Limited		
	As at	As at	As at
	31 st March, 2017	31 st March, 2016	31 st March, 2015
Revenue	120.63	-	-
Other Income	39.08	23.55	-
Loss for the year	(2,612.29)	(13.71)	-
Prior Period Expenses	(426.38)	-	-
Other Comprehensive Income	(13.29)	-	-
Total Comprehensive Income	(2,625.58)	(12.71)	-
Depreciation & Amorisation	619.49	-	-
Interest Income	3.45	-	-

(A) Reconciliation of Net Assets considered for consolidated financial to net asset as per associate financial

	Associate Enterprise - Avenue E-Commerce Limited		
	As at	As at	As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Share of Net Asset as per Entity's Financial	2,152.48	1,382.40	-
Add/ (less) :- Consolidation adjustment	-	-	-
(i) Others	-	-	-
Net Assets as per Consolidated Financial	2,152.48	1,382.40	-

Notes

to the Consolidated Financial Statements

52 MOVEMENT OF INVESTMENT USING EQUITY METHOD

Interest in Associate

(a) Avenue E-Commerce Limited

	As at 31st March 2017	As at 31st March, 2016	(₹ in Lakhs) As at 1st April, 2015
Interest as at 1 st April, 2017 and 1 st April, 2016 (Investment made during the year as at 31 st March, 2017 : ₹ 2,062.13 Lakhs and during the year as at 31 st March, 2016: ₹ 1,389.61 Lakhs)	3,451.74	1,389.61	-
Add: Share of profit for the period	(1,299.26)	(7.21)	-
Balance as at 31 st March	2,152.48	1,382.40	-

53 (A) FOR DISCLOSURES MANDATED BY SCHEDULE III OF COMPANIES ACT 2013, BY WAY OF ADDITIONAL INFORMATION, REFER BELOW:

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As a % of Consolidated net Assets	Amount (₹ in Lakhs)	As a % of Consolidated Profit or Loss	Amount (₹ in Lakhs)
Parent				
Avenue Supermarts Limited	99.43%	383,706.33	97.94%	48,342.09
Subsidiaries				
1 Align Retail Trades Private Limited	0.30%	1,163.41	1.18%	584.20
2 Avenue Food Plaza Private Limited	0.24%	907.21	0.79%	387.54
3 Nahar Seth & Jogani Developers Private Limited	0.03%	145.27	0.09%	45.75
Subtotal		385,922.22		49,359.58
Inter Company Elimination & Consolidation Adjustments		(1,729.17)		(106.20)
Grand Total		384,193.05		49,253.38
Minority Interest		(14.53)		(4.58)
Share of Net loss in Associate		(1,292.05)		

As per our report of even date

For and on behalf of Board of Directors

For Dalal & Shah LLP

Ignatius Navil Noronha
Managing Director

Firm Registration Number 102021W/ W100110
Chartered Accountants

S. Venkatesh

Ramakant Baheti
Chief Financial Officer and Executive Director

Partner
Membership No. 037942

Ashu Gupta
Company Secretary

Thane, 6th May, 2017

Thane, 6th May, 2017

Notice of the Annual General Meeting

Notice is hereby given that the Seventeenth Annual General Meeting of the members of Avenue Supermarts Limited will be held on Wednesday, 6th September, 2017 at 11.00 A.M. at Nehru Centre Auditorium, Discovery of India Building, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai- 400 018 to transact the following business:

ORDINARY BUSINESS:

1. ADOPTION OF ACCOUNTS:

- a) To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2017 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, 2017 together with the Reports of Auditors thereon;

2. RETIRE 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;

3. APPOINTMENT OF STATUTORY AUDITORS:

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 made thereunder (including any statutory modification(s)/ enactment/ re-enactment(s) for the time being in force), S R B C & Co LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) be and are hereby appointed as the Statutory Auditors of the Company, in place of Dalal & Shah LLP, Chartered Accountants, (Firm Registration No.: 102021W), the retiring Statutory Auditors, for a period of five consecutive years to hold office from conclusion of Seventeenth Annual General Meeting till the conclusion of Twenty Second Annual General Meeting, subject to ratification of their appointment by the members as may be applicable, in subsequent Annual General Meeting(s), on such remuneration as maybe recommended by the Audit

Committee and decided by the Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS:

4. COMMISSION TO THE INDEPENDENT DIRECTORS OF THE COMPANY:

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to 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)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of shareholders be accorded to make payment to the Independent Directors of the Company on annual basis, of such remuneration 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 shall include Nomination and Remuneration Committee) 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, 2017.

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."

5. OFFER AND ISSUE OF SECURED, RATED, CUMULATIVE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES:

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable rules under the Act (including statutory modification thereof and any circulars, notifications, clarifications, rules passed thereunder from time to time) and in accordance with the Memorandum and Articles of Association of the Company and subject to such approvals, consents, sanctions, permissions, laws, rules regulations, guidelines, as may be necessary from all appropriate statutory and regulatory authorities, and subject to such conditions and modifications as may be prescribed by the respective statutory and/or regulatory authorities while granting such approvals, consents, sanctions, permissions and subject to the total borrowings of the Company not exceeding the borrowing powers approved by the members under Section 180(1)(c) of the Act, consent of the members of the Company be and is hereby accorded to the Board (hereinafter which term shall be deemed to include any Committee constituted/ to be constituted by the Board to exercise its powers, including the powers conferred by this resolution) to offer, issue and allot secured, rated, cumulative, redeemable non-convertible debentures (the "Debentures") aggregating up to ₹ 10,000,000,000/- (Rupees One Thousand Crore only) on private placement basis, in one or more tranches, during a

period of one year from the conclusion of this meeting and with such ranking and seniority and on such other terms and conditions as the Board may approve or authorize, in the exercise of its authority and discretion in terms of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters as things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution and including without limitation, for matters connected therewith or incidental thereto and to sign and execute any deeds/ documents/ undertakings/ agreements/ papers/ writing, as may be required in this regard and to delegate all or any of these powers to Board, and/or any other officer(s) of the Company."

By order of the Board of Directors of
Avenue Supermarts Limited

Ashu Gupta

Company Secretary
 Membership No. 13449

Place: Thane
 Date: 22nd July, 2017

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

Website: www.dmartindia.com

Email Id: investorrelations@dmartindia.com

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of total share capital of the Company carrying voting rights. A member holding more than ten percent, of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Annual General Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

2. Corporate members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, concerning the Special Businesses in the Notice of this Annual General Meeting is annexed hereto and forms part of this Notice.
4. Statement giving details of the Director seeking appointment/ 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").
5. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
6. Members /Proxies/ Authorised Persons attending the Annual General Meeting (AGM) of the Company are requested to hand over the Attendance Slip, duly filled in for admission to the AGM hall.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members holding Shares in demat/electronic form are requested to write their Client ID and DP ID and those holding Shares in physical form are requested to write their

folio number in the attendance slip and deliver duly signed attendance slip at the entrance of the meeting hall.

9. Members may also note that the Notice of the Seventeenth Annual General Meeting and the Company's Annual Report 2016-17 will be available on the Company's website, www.dmartindia.com. All the relevant documents referred to in this AGM Notice and Explanatory Statement etc. shall remain open for inspection purpose at the Registered Office of the Company during its business hours on all working days up to the date of AGM.
10. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 and Register of Contracts or Arrangement in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
11. The Register of Members and Transfer Books of the Company will be closed from Thursday, 31st August, 2017 to Wednesday, 6th September, 2017 (Both days inclusive).
12. Members holding shares of the Company as on Wednesday, 30th August, 2017, shall be entitled to vote at the Annual General Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
13. The Annual Accounts of the Subsidiary Companies shall be available at the Registered Office of the Company for inspection by any shareholder. The copies of the accounts of subsidiaries required by any shareholders will be provided on written request to the Company Secretary of the Company at the Registered Office of the Company.
14. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the financial year 2016-17 are being sent by e-mail to those Members who have registered their e-mail address with the Company or Registrar and Share Transfer Agent or Depository Participant unless any Member has requested for the hard copy of the same. Physical copies of the Annual Report will be sent by way of permitted modes in case where the email addresses of the Members are not registered.
15. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, Link Intime India Private Limited to provide efficient and better services.

- Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agent, Link Intime India Private Limited at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083.
16. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent, Link Intime India Private Limited.
17. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Link Intime India Private Limited for assistance in this regard.
- Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime India Private Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
18. Information and other instructions relating to voting through electronic means:
- a. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed in this notice by electronic means and the business may be transacted through e-voting services, the said resolutions will not be decided on a show of hands at the AGM.
 - b. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited ("NSDL").
 - c. The facility for voting through ballot paper shall be made available at the AGM venue and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - d. The Company has appointed Mr. Himanshu S. Kamdar (Membership No. 5171), Partner of M/s. Rathi & Associates, Practicing Company Secretaries, as scrutineer (the 'Scrutinizer') for conducting the voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.
 - e. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutineer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - f. The members who have cast their vote by remote e-voting may attend the meeting but shall not be entitled to cast their vote again.
 - g. The remote e-voting period commences on Saturday, 2nd September, 2017 (9:00 a.m.) and ends on Tuesday, 5th September, 2017 (5:00 p.m). During this period members of the Company, holding shares as on the cut-off date of Wednesday, 30th August, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be forthwith blocked by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- The process and manner for remote e-voting are as under:**
- A. In case a Member receives an email from NSDL for members whose email ID's are registered:
- i. Open the email and open PDF file with your Client Id or Folio No. as password. The said PDF file contains your user ID and Password for e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
 - iii. Click on Shareholders login.
 - iv. If you are already registered with NSDL for e-voting, then you can use your existing User Id and Password for casting your vote and shall not receive the pdf file.
- NOTE:** Shareholders who forgot the User details / Password can use "Forgot User details / Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com>.
- In case Shareholders are holding shares in demat mode, User ID is the combination of (DPID + Client ID).
- In case Shareholders are holding shares in physical mode, User ID is the combination of (Even No + Folio No.).
- v. If you are logging in for the first time, please enter the User ID and Password provided in the PDF file attached with the e-mail as initial password. The

Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential. If you forget your password, you can reset it using "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

- vi. Once the e-voting home page opens, click on e-Voting > Active Voting Cycles.
- vii. Select "EVEN" (E-voting Event Number) of Avenue Supermarts Limited. Now you are ready for e-voting as 'Cast Vote' page opens.
- viii. Cast your vote by selecting the appropriate option and click on "Submit" and also "Confirm" when prompted.
- ix. Upon confirmation, the message "Vote cast successfully" will be displayed.
- x. Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently.
- xi. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of relevant Board resolution / Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to hsk@rathiandassociates.com with a copy marked to evoting@nsdl.co.in.
- xii. In case of any queries, members may refer the Frequently Asked Questions (FAQs) and e-voting user manual for shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no: 1800-222-990. Members can also contact Ms. Pallavi Mhatre, Assistant Manager, NSDL, to resolve any grievances with regard to e-voting, Tel no: 022-2499 4545, email-id : pallavid@nsdl.co.in.

B. IN CASE A MEMBER RECEIVES PHYSICAL COPY OF THE NOTICE OF AGM AND ATTENDANCE SLIP [FOR MEMBERS WHOSE EMAIL IDS ARE NOT REGISTERED OR REQUESTING PHYSICAL COPY]:

- i. Initial password is mentioned in the Attendance Slip of the AGM (EVEN + User Id and Password).
- ii. Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iv. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of

the Company as on the cut-off date of Wednesday, 30th August, 2017.

- v. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Wednesday, 30th August, 2017 may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com.
- vi. A person, whose name is recorded in the register of members or in the register of beneficial owners as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- vii. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman/Managing Director or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- viii. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.dmartindia.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman/Managing Director or a person authorized by him in writing. The Company shall simultaneously forward the results to National Stock Exchange Limited of India and BSE Limited, where the shares of the Company are listed.

By Order of the Board of Directors of
Avenue Supermarts Limited

Ashu Gupta

Company Secretary
Membership No. 13449

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

Website: www.dmartindia.com

Email Id: investorrelations@dmartindia.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

The Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') has entrusted new responsibilities on the Independent Directors and widened their duties and liabilities and enhanced their current role. In view of the valuable contribution made by them towards overall engagement with the Company on various policies, strategic and governance related issues, it is proposed to pay Commission to them.

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, 2017. 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.

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. 4 of the Notice.

ITEM NO. 5:

In order to augment long term resources for financing, inter alia, for the strategic business expansion in future and for general corporate purposes, it is proposed to raise funds upto ₹ 1,000 crores by way of Issue of Secured, Rated, Non-Convertible, Cumulative, Redeemable Debentures.

Members may note that pursuant to Section 71 read with rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 and subject to the provisions of Section 42 of the Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of

Securities) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, a Company can issue securities on private placement basis only when the proposed offer of securities or invitation to subscribe securities has been previously approved by the Members of the Company by a special resolution.

Further, sub-rule (2) of the said rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement basis, it shall be sufficient if the Company obtains prior approval of its members by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.

It is proposed to authorize the Board (hereinafter which term shall be deemed to include any Committee constituted/to be constituted by the Board), to offer or invite subscription for secured, rated, cumulative, redeemable non-convertible debentures, in one or more series / tranches on private placement as may be required by the company from time to time for a period of one year from the date of passing the resolution.

Hence, the Board recommends and seeks approval for the resolution set out in Item No. 5 of the Notice by way of Special Resolution.

None of the Promoters, Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

By Order of the Board of Directors of
Avenue Supermarts Limited

Ashu Gupta

Company Secretary
Membership No. 13449

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

Website: www.dmartindia.com

Email Id: investorrelations@dmartindia.com

BRIEF RESUME OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH THE SECRETARIAL STANDARDS (“SS-2”) AND REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Name of the Director	Mr. Elvin Machado
Age	51 years
Date of Appointment on the Board	10 th June, 2015
Qualifications	M.A (Part I) in Economics
Nature of Expertise & Experience	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 19 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 has been in Mumbai taking care of “Real Estate Acquisition”. He had completed 8 years with Avenue Supermarts Limited and subsequently taken on Board as Whole-time Director.
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	N.A
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Nil
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil
No. of shares in the Company	411,400

Note: For other details such as number of meetings of the Board attended during the year, remuneration last drawn please refer to the Board's Report and the Corporate Governance Report.



AVENUE SUPERMARTS LIMITED

CIN: L51900MH2000PLC126473

Regd. Office: Anjaneya CHS Limited, Orchard Avenue,
Opp. Hiranandani Foundation School, Powai, Mumbai - 400 076

Tel No.: +91-22-40496500 Fax No.: +91-22-40496503

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

PROXY FORM

[Form No. MGT- 11]

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies
(Management and Administration) Rules, 2014]

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id: DP ID:

I/ We, being the member (s) holding shares of the above named Company, hereby appoint

1. Name: E-mail Id:
Address: Signature: or failing him

2. Name: E-mail Id:
Address: Signature: or failing him

3. Name: E-mail Id:
Address: Signature:

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 17th Annual General Meeting of the Company to be held on Wednesday, 6th September, 2017 at 11.00 A.M. at Nehru Centre Auditorium, Discovery of India Building, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai- 400 018 and at any adjournment thereof in respect of resolutions, as indicated below:

Item No.	Description	Type of resolution (Ordinary / Special)	I / We assent to the resolution (For)*	I / We dissent to the resolution (Against)*
1	To receive, consider and adopt the Standalone and Consolidated Audited Accounts of the Company along with the reports of the Board of Directors and Auditors thereon.	Ordinary		
2	Re-appointment of Mr. Elvin Machado (DIN: 07206710) who retires by rotation and being eligible, has offered himself for re-appointment.	Ordinary		
3	Appointment of S R B C & Co. LLP, Chartered Accountants (Firm Registration No.: 324982E/ E300003) as the Statutory Auditors of the Company and fixing of their remuneration.	Ordinary		
4	To pay commission to the Independent Directors upto an amount of 1% of the Net Profits of the Company	Ordinary		
5	To offer / issue secured, rated, cumulative, redeemable non-convertible debentures up to an amount not exceeding ₹ 10,000,000,000/- (Rupees One Thousand Crore Only).	Special		

Signed this day of 2017.

Signature of shareholder(s):.....

Signature of Proxy holder(s):.....

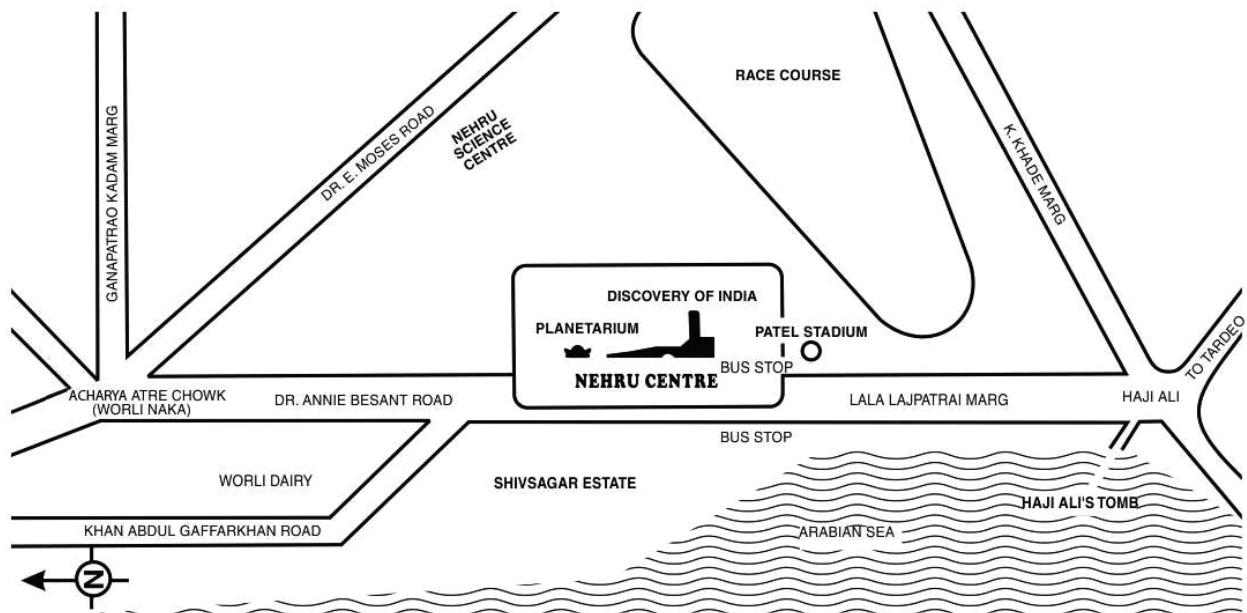
Affix ₹ 1/-
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he / she so wishes.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
6. The holders of the Proxy shall be entitled to vote either for or against the above mentioned resolutions.
7. *It is optional to put (v) in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

ROUTE MAP TO VENUE OF ANNUAL GENERAL MEETING

Venue: Nehru Centre Auditorium, Discovery of India Building, Ground Floor, Dr. Annie Besant Road, Worli, Mumbai- 400 018
Landmark: Nehru Centre Art Gallery



Notes

D Mart



REGISTERED OFFICE

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